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S1

12/21/2009

12/14/09 Council Mtg.

dt

Sponsor:

*Jimmy Bonnett*

Proposed No.: 2009-0633

*LG MOVED*

*PASSED 7-0*

*KL Excused*

**STRIKING AMENDMENT TO PROPOSED ORDINANCE 2009-0633, VERSION**

**1**

On page 1, beginning on line 14, strike everything through page 108, line 2421, and insert:

"PREAMBLE:

The county owns and operates facilities for the conveyance and treatment of sewage and control of combined sewer overflows that include, but are not limited to, wastewater treatment plants, interceptor and trunk sewers, pumping stations, regulator stations, outfall sewers, storm sewers to divert stormwater from sanitary sewers, lands for application of biosolids, property rights, and buildings and other structures (collectively the "Sewer System" or the "System"), all in accordance with a comprehensive plan for metropolitan water pollution abatement under the authority of chapters 36.56 and 35.58 of the Revised Code of Washington ("RCW").

Long term service agreements with participating municipalities (the "Participants") obligate the county to treat and dispose of sewage collected by the Participants. The Participants must pay the costs of such services

22701

18 including debt service on bonds payable from sewer revenues.  
19 Comparable rates and charges have been established for customers who  
20 deliver sewage to the System but are not subject to a contract with the  
21 county for such service.  
22 In accordance with RCW 35.58.200(3), the county has declared that the  
23 health, safety and welfare of people within the metropolitan area require  
24 that certain Participants discharge sewage collected by such Participants  
25 into facilities of the System.  
26 The county has issued the following sewer revenue bonds with a senior  
27 lien on revenues of the Sewer System (the "Parity Bonds"):

<b>Series</b>			<b>Original</b>	<b>Outstanding</b>
<b>Designation</b>	<b>Ordinance</b>	<b>Date of Issue</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

			<b>Outstanding</b>	
<b>Series</b>			<b>Original</b>	<b>Principal</b>
<b>Designation</b>	<b>Ordinance</b>	<b>Date of Issue</b>	<b>Principal</b>	<b>(9/1/2009)</b>
2009 Bonds	16133	8/12/2009	250,000,000	250,000,000

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

			<b>Outstanding</b>	
<b>Series</b>			<b>Original</b>	<b>Principal</b>
<b>Designation</b>	<b>Ordinance</b>	<b>Date of Issue</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

32       The county has issued the following sewer revenue bonds with a lien on  
 33       revenues of the Sewer System junior and subordinate to the lien thereon of  
 34       the Parity Bonds and the Parity Lien Obligations (the "Junior Lien  
 35       Obligations"):

			<b>Outstanding</b>	
<b>Series</b>			<b>Original</b>	<b>Principal</b>
<b>Designation</b>	<b>Ordinance</b>	<b>Date of Issue</b>	<b>Principal</b>	<b>(9/1/2009)</b>
Series 2001A	14171	4/15/2001	\$ 50,000,000	\$ 50,000,000

			<b>Outstanding</b>	
<b>Series</b>			<b>Original</b>	<b>Principal</b>
<b>Designation</b>	<b>Ordinance</b>	<b>Date of Issue</b>	<b>Principal</b>	<b>(9/1/2009)</b>
Series 2001B	14172	4/15/2001	50,000,000	50,000,000

36           The county has issued its Sewer Revenue Anticipation Notes, Commercial  
37           Paper Series A, in the aggregate principal amount of not to exceed  
38           \$100,000,000 at any time outstanding (the "Commercial Paper Notes"),  
39           with a lien on revenues of the Sewer System junior and subordinate to the  
40           lien thereon of the Parity Bonds, the Parity Lien Obligations, and the  
41           Junior Lien Obligations, pursuant to Ordinance 12057, as amended by  
42           Ordinance 14173.

43           The ordinances authorizing the issuance of the Parity Bonds, the Parity  
44           Lien Obligations, the Junior Lien Obligations and the Commercial Paper  
45           Notes permit the county to issue additional sewer revenue bonds with a  
46           lien on revenues of the Sewer System junior to the lien thereon of the  
47           Junior Lien Obligations and superior to the lien thereon of the Commercial  
48           Paper Notes. This ordinance authorizes the issuance of a series of such  
49           bonds in the principal amount of not to exceed \$50,000,000 (the "Bonds")  
50           to be sold by negotiated sale to Citigroup Global Markets Inc., subject to  
51           final approval of a bond purchase contract by the county's finance director.

52           This ordinance further authorizes the form, terms, maturity, method of  
53           determining interest rates and options for liquidity support and credit  
54           enhancement for the Bonds.

55 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

56 **ARTICLE I**

57 **DEFINITIONS AND INTERPRETATION**

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

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

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

72 **"Agency Customer"** means any city, town, water-sewer district or other political  
73 subdivision, person, firm or private corporation that collects sewage from customers and  
74 disposes of any portion of that sewage into the Metropolitan Sewerage System and is not  
75 a Participant.

76 **"Alternate Credit Enhancement"** or **"Alternate Liquidity Facility"** means a  
77 letter of credit, insurance policy, line of credit, surety bond, standby purchase agreement

78 or other security or liquidity instrument, as the case may be, issued in accordance with  
79 the terms hereof as a replacement or substitute for any Credit Enhancement or Liquidity  
80 Facility, as applicable, then in effect.

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

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

101           (1)     The interest on such designated obligations due (i) on all interest payment  
102     dates (other than January 1) in such calendar year, and (ii) on January 1 of the next  
103     succeeding calendar year, plus any Payment Agreement Payments due on such dates in  
104     respect of Payment Agreements for such obligations and minus any Payment Agreement  
105     Receipts due in such period in respect of Payment Agreements for such obligations.

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

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

118           (2)     The principal due (at maturity or upon the mandatory redemption of Term  
119     Bonds prior to their maturity) for such designated obligations (i) on all principal payment  
120     dates (other than January 1) of such calendar year and (ii) on January 1 of the next  
121     succeeding calendar year.

122           (3)     An amount for assumed payments of principal of any of such designated  
123     obligations that are Balloon Maturity Bonds calculated for the applicable calendar year

124 by amortizing the then outstanding principal amount of such obligations in accordance  
125 with a maturity schedule not exceeding 30 years from the date of issuance of such  
126 Balloon Maturity Bonds and resulting in approximately level debt service based on their  
127 actual interest rates (if such obligations bear interest at fixed rates) or on the assumed  
128 interest rate calculated as provided in Paragraph (1)(ii) of this definition (if such  
129 obligations bear interest at a variable rate).

130 In the case of Capital Appreciation Bonds, the Accreted Value due at maturity or  
131 upon the mandatory redemption of Term Bonds that are Capital Appreciation Bonds must  
132 be included in the calculation of Annual Debt Service, and references in this ordinance to  
133 principal of Parity Bonds include the Accreted Value due at maturity or upon the  
134 mandatory redemption of any Capital Appreciation Bonds.

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

139 **"Authorized Denominations"** means (i) with respect to Bonds in a Daily Mode  
140 or Weekly Mode, \$100,000 and any integral multiple of \$5,000 in excess thereof, (ii)  
141 with respect to Bonds in a Flexible Mode, \$100,000 and any integral multiple of \$1,000  
142 in excess thereof, and (iii) with respect to Bonds in a Long-Term Mode, \$5,000 and any  
143 integral multiple thereof.

144 **"Automatic Termination Event"** means an event of default set forth in a  
145 Reimbursement Agreement between the county and the Liquidity Provider that would  
146 result in the immediate termination or suspension of the Liquidity Facility prior to its



147 stated expiration date without prior notice from the Liquidity Provider to the Tender  
148 Agent.

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

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

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

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

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

165 **"Bond Register"** means the registration books maintained by the Registrar for  
166 purposes of identifying ownership of the Bonds.

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

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

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

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

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

188           **"Certified Public Accountant"** means an independent certified public  
189 accountant (or firm of certified public accountants) selected by the county and having a  
190 favorable national reputation.

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

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

197           **"Commercial Paper Notes"** means the King County, Washington, Sewer  
198 Revenue Bond Anticipation Notes, Commercial Paper Series A, authorized, issued, and  
199 outstanding from time to time pursuant to Ordinance 12057 of the county passed on  
200 December 11, 1995, as amended by Ordinance 14173 of the county passed on July 16,  
201 2001.

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

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

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

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

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

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

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

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

225           **"Daily Mode"** means the Interest Rate Mode during which the Bonds bear  
226 interest at the Daily Rate.

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

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

232           **"Debt Service Offset"** means receipts of the county that are (i) legally available  
233 to pay debt service on obligations payable from Revenue of the System, including

234 without limitation federal interest subsidy payments, and (ii) pledged to the payment of  
235 obligations payable from Revenue of the System.

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

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

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

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

245 **"Electronic Means"** means telecopy, facsimile transmission, email transmission  
246 or other similar electronic means of communication providing evidence of transmission.

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

252 **"Favorable Opinion of Bond Counsel"** means, with respect to any action the  
253 occurrence of which requires such an opinion, an unqualified Opinion of Counsel, which  
254 must be a Bond Counsel, to the effect that such action is permitted under this ordinance  
255 and will not adversely affect the exclusion of interest on the Bonds from gross income for

256 purposes of Federal income taxation (subject to the inclusion of any exceptions contained  
257 in the opinion delivered upon original issuance of the Bonds).

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

260 **"Fiscal Agency Agreement"** means the agreement of that name dated February  
261 1, 2007, as amended, between the State of Washington and The Bank of New York (now  
262 known as The Bank of New York Mellon), and any amendments and supplements thereto  
263 and replacements thereof.

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

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

267 **"Fixed Rate Mode"** means the Interest Rate Mode during which the Bonds bear  
268 interest at the Fixed Rate.

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

272 **"Flexible Mode"** means the Interest Rate Mode during which the Bonds bear  
273 interest at the Flexible Rate.

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

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

278           **"Flexible Rate Period"** means the period of from one to 270 calendar days  
279 (which period must end on a day preceding a Business Day) during which a Flexible Rate  
280 Bond will bear interest at a Flexible Rate, as established by the Remarketing Agent  
281 pursuant to Section 2.5 of this ordinance. The Bonds in the Flexible Mode may be in  
282 different Flexible Rate Periods.

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

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

295           **"Interest Payment Date"** means each date on which interest is to be paid and is:  
296 (i) with respect to the Bonds in the Flexible Mode, each Mandatory Purchase Date  
297 applicable thereto; (ii) with respect to the Bonds in the Daily Mode or Weekly Mode, the  
298 first Business Day of each month; (iii) with respect to the Bonds in a Term Rate Mode or  
299 a Fixed Rate Mode, the first day of the sixth calendar month following the month in  
300 which such Term Rate Mode or a Fixed Rate Mode takes effect, and the first day of each

301 sixth calendar month thereafter or, upon the receipt by the Registrar of a Favorable  
302 Opinion of Bond Counsel, any other six-month interval chosen by the county (beginning  
303 with the first such day which is at least three months after the Conversion Date) and, with  
304 respect to a Term Rate Period, the final day of the current Interest Period if other than a  
305 regular six-month interval; (iv) with respect to the Bonds in the LIBOR Indexed Mode,  
306 each January 1, April 1, July 1 and October 1 (beginning with the first such day after the  
307 Conversion Date); (v) (without duplication as to any Interest Payment Date listed above)  
308 each Maturity Date; and (vi) with respect to any Liquidity Provider Bonds, the day set  
309 forth in the Reimbursement Agreement.

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

315 **"Interest Rate Mode"** means, as the context may require, the Flexible Mode, the  
316 Daily Mode, the Weekly Mode, the LIBOR Indexed Mode, the Term Rate Mode or the  
317 Fixed Rate Mode.

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

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



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

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

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

331           **"LIBOR Interest Period"** means, during the LIBOR Indexed Mode, the period  
332 from (and including) the Conversion Date to but not including the first Interest Payment  
333 Date and thereafter means the period from (and including) an Interest Payment Date to  
334 but not including the following Interest Payment Date (regardless of whether or not such  
335 Interest Payment Dates are Business Days).

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

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

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

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

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

350           **"Long-Term Mode"** means a LIBOR Indexed Mode, a Term Rate Mode or a  
351 Fixed Rate Mode.

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

369 Registrar's receipt of such notice and in no event later than the day preceding the  
370 Expiration Date.

371 **"Maturity Date"** means January 1, 2040, and, if established pursuant to Section  
372 2.10(b)(v) of this ordinance upon a change to the Fixed Rate Mode, any Serial Maturity  
373 Date.

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

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

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

387 **"Multi-Modal LTGO/Sewer Revenue Bonds"** means the Bonds, the Series  
388 2010A Bonds, and any additional limited tax general obligation bonds of the county  
389 payable from Revenue of the System and having the same lien on such revenue as the  
390 Bonds and the Series 2010A Bonds.

391           **"Net Revenue"** means Revenue of the System less Operating and Maintenance  
392 Expenses.

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

394           **"Notice Parties"** means the county, the Registrar, the Tender Agent, the  
395 Remarketing Agent, the Paying Agent, the Credit Provider, if any, and the Liquidity  
396 Provider, if any.

397           **"NRMSIR"** means a nationally recognized municipal securities information  
398 repository.

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

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

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

408           (a) Bonds cancelled by the Registrar or surrendered to the Registrar for  
409 cancellation;

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

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

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

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

418 **"Parity Bond Fund"** means the "Water Quality Revenue Bond Account"  
419 designated pursuant to Section 30 of Ordinance 12076 of the county for the purpose of  
420 paying and securing the payment of the Parity Bonds.

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

423 **"Parity Bonds"** means the bonds identified as such in the Preamble to this  
424 ordinance, together with any sewer revenue bonds that the county may hereafter issue  
425 with a lien on Revenue of the System equal to the lien thereon of those Parity Bonds.

426 "Parity Bonds" include any Parity Payment Agreements and parity reimbursement  
427 agreements entered into with the provider of a Credit Facility securing any Parity Bonds.

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

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

436           **"Parity Lien Obligations"** means bonds identified as such in the Preamble to  
437 this ordinance and any bonds that the county may issue hereafter with a lien on Revenue  
438 of the System equal to the lien thereon of those Parity Lien Obligations. "Parity Lien  
439 Obligations" include any Parity Lien Obligation Payment Agreements and parity  
440 reimbursement agreements entered into with the provider of a Credit Facility securing  
441 any Parity Lien Obligations.

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

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

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

453           **"Payment Agreement"** means, to the extent permitted from time to time by  
454 applicable law, a written agreement entered into by the county (i) in connection with or  
455 incidental to the issuance, incurring or carrying of bonds or other obligations of the  
456 county secured in whole or in part by a lien on Revenue of the System; (ii) for the  
457 purpose of managing or reducing the county's exposure to fluctuations or levels of  
458 interest rates, currencies or commodities or for other interest rate, investment, asset or

459 liability management purposes; (iii) with a Qualified Counterparty; and (iv) which  
460 provides, on either a current or forward basis, for an exchange of payments determined in  
461 accordance with a formula specified therein.

462 **"Payment Agreement Payments"** means the amounts periodically required to  
463 be paid by the county to the Qualified Counterparty pursuant to a Payment Agreement.  
464 The term "Payment Agreement Payments" does not include any termination payment  
465 required to be paid with respect to a Payment Agreement.

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

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

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

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

479 **"Professional Utility Consultant"** means a licensed professional engineer, a  
480 Certified Public Accountant, or other independent person(s) or firm(s) selected by the  
481 county having a favorable reputation for skill and experience with sewer systems of

482 comparable size and character to the System in such areas as are relevant to the purposes  
483 for which they are retained.

484 **"Public Works Trust Fund Loans"** means loans to the county by the State of  
485 Washington Department of Community, Trade and Economic Development under the  
486 Public Works Trust Fund loan program pursuant to loan agreements in effect as of the  
487 date of this ordinance and any loan agreements hereafter entered into by the county under  
488 the Public Works Trust Fund loan program, the repayment obligations of which are  
489 secured by a lien on Revenue of the System equal to the lien thereon established by such  
490 loan agreements.

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

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

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

500 **"Qualified Counterparty"** means with respect to a Payment Agreement an  
501 entity (i) whose senior long term debt obligations, other senior unsecured long term  
502 obligations or claims paying ability or whose payment obligations under a Payment  
503 Agreement are guaranteed by an entity whose senior long term debt obligations, other  
504 senior unsecured long term obligations or claims paying ability are rated (at the time the



505 Payment Agreement is entered into) at least as high as A3 by Moody's and A- by S&P, or  
506 the equivalent thereof by any successor thereto, and (ii) who is otherwise qualified to act  
507 as the other party to a Payment Agreement under any applicable laws of the State.

508 **"Quotation Agent"** means Citigroup Global Markets Inc., or, if Citigroup Global  
509 Markets Inc. cannot perform the duties of a Quotation Agent set forth herein, such other  
510 quotation agent as may be designated by the county.

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

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

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

532           **"Rating Confirmation Notice"** means a notice from each Rating Agency  
533 confirming that the rating on the Bonds will not be lowered or withdrawn (other than a  
534 withdrawal of a short-term rating upon a change to a Long-Term Mode) as a result of the  
535 action proposed to be taken.

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

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

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

544           **"Registrar"** means initially, the fiscal agency of the State of Washington in New  
545 York, New York, or any successor Registrar appointed pursuant to Section 8.1 of this  
546 ordinance. The Registrar's duties include (i) registering and authenticating the Bonds,  
547 maintaining the Bond Register, registering the transfer of Bonds, (ii) as Paying Agent,  
548 paying interest on and principal of the Bonds and holding any Credit Enhancement  
549 (except a Credit Enhancement combined with a Liquidity Facility), and (iii) as Tender

550 Agent, paying the Purchase Price of tendered Bonds and holding any Liquidity Facility  
551 and any combined Credit Enhancement and Liquidity Facility.

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

555 **"Remarketing Agent"** means any investment banking firm appointed as  
556 provided in Section 8.2 of this ordinance, initially Citigroup Global Markets Inc.

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

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

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

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

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

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

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

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

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

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

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

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

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

593           **"Series 2010A Bonds"** means the King County, Washington, Multi-Modal  
594 Limited Tax General Obligation Bonds (Payable from Sewer Revenue), Series 2010A,  
595 authorized to be issued simultaneously with the Bonds.

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

600           **"Short-Term Mode"** means the Daily Mode, the Weekly Mode or the Flexible  
601 Mode.

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

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

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

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

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

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

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

625           **"Tax-Exempt Bonds"** means Bonds the interest on which the county intends to  
626 be excludable from gross income for federal income tax purposes, as provided in Section  
627 5.3 of this ordinance and so designated pursuant to Section 9.1 of this ordinance.

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

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

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

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

642           **"Term Rate Mode"** means the Interest Rate Mode during which the Bonds bear  
643 interest at the Term Rate.

644           **"Term Rate Period"** means the period from (and including) the Conversion Date  
645 or the date of initial issuance of the Bonds, as applicable, to (but excluding) the last day  
646 of the first period that the Bonds are in the Term Rate Mode as established by the county  
647 for the Bonds pursuant to Section 2.10(a)(i) of this ordinance and, thereafter, the period  
648 from (and including) the beginning date of each successive Interest Period selected for  
649 the Bonds by the county pursuant to Section 2.7(a) of this ordinance while it is in the  
650 Term Rate Mode to (but excluding) the commencement date of the next succeeding  
651 Interest Period, including another Term Rate Period. Except as otherwise provided in  
652 this ordinance, an Interest Period for the Bonds in the Term Rate Mode must be at least  
653 180 days in length.

654           **"Three-Month LIBOR Rate"** means the rate for deposits in U.S. dollars with a  
655 three-month maturity that appears on Reuters Screen LIBOR01 Page (or such other page  
656 as may replace that page on that service, or such other service as may be nominated by  
657 the British Bankers Association for the purpose of displaying London interbank offered  
658 rates for U.S. dollar deposits) as of 11:00 A.M., London time, on the Rate Determination  
659 Date, except that, if such rate does not appear on such page on the Rate Determination

660 Date, the Three-Month LIBOR Rate means a rate determined on the basis of the rates at  
661 which deposits in U.S. dollars for a three-month maturity and in a principal amount of at  
662 least U.S. \$1,000,000 are offered at approximately 11:00 A.M., London time, on the Rate  
663 Determination Date, to prime banks in the London interbank market by four major banks  
664 in the London interbank market (herein referred to as the "Reference Banks") selected by  
665 the Quotation Agent. The Quotation Agent is to request the principal London office of  
666 each of the Reference Banks to provide a quotation of its rate. If at least two such  
667 quotations are provided, the Three-Month LIBOR Rate will be the arithmetic mean of  
668 such quotations. If fewer than two quotations are provided, the Three-Month LIBOR  
669 Rate will be the arithmetic mean of the rates quoted by three (if three quotations are not  
670 provided, two or one, as applicable) major banks in New York City, selected by the  
671 Quotation Agent, at approximately 11:00 A.M. on the Rate Determination Date for loans  
672 in U.S. dollars to leading European banks in a principal amount of at least U.S.  
673 \$1,000,000 having a three-month maturity. If the banks in New York City selected by  
674 the Quotation Agent are not then quoting rates for such loans, then the Three-Month  
675 LIBOR Rate for the ensuing LIBOR Interest Period will mean the Three-Month LIBOR  
676 Rate then in effect.

677 **"Underwriter"** means Citigroup Global Markets Inc.

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

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

681 **"Variable Rate Parity Bonds"** and **"Variable Rate Parity Lien Obligations"**  
682 mean Parity Bonds and Parity Lien Obligations bearing interest at a variable rate of



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

692 **"Weekly Mode"** means the Interest Rate Mode during which the Bonds bear  
693 interest at the Weekly Rate.

694 **"Weekly Rate"** means the per annum interest rate on the Bonds in the Weekly  
695 Mode determined pursuant to Section 2.6(b) of this ordinance.

696 **"Weekly Rate Period"** means the period during which a Bond in the Weekly  
697 Mode bears a Weekly Rate, which will be the period commencing on the day following  
698 the Rate Determination Date of each week to and including the Rate Determination Date  
699 of the following week, except (i) in connection with a conversion to the Weekly Rate, in  
700 which case the first Weekly Rate Period will be from the Conversion Date to and  
701 including the Rate Determination Date of the following week, (ii) in the case of a  
702 Substitution Date or Mandatory Purchase Date specified in clause (viii) of the definition  
703 of Mandatory Purchase Date, in which case the Weekly Rate Period prior to the  
704 Substitution Date or such Mandatory Purchase Date will end on the day before the  
705 Substitution Date or such Mandatory Purchase Date and a new Weekly Rate Period will

706 commence on the Substitution Date or such Mandatory Purchase Date and end on the  
707 Rate Determination Date of the following week and (iii) in connection with a conversion  
708 from the Weekly Mode, the last Weekly Rate Period will end on the day next preceding  
709 the Conversion Date.

710 **SECTION 1.2. Interpretation.**

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

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

717 (c) If the date for making any payment or the last day for the performance of any  
718 act or the exercise of any right provided in this ordinance is not a Business Day, such  
719 payment may be made or act performed or right exercised on the next succeeding  
720 Business Day with the same force and effect as if done on the nominal date provided in  
721 this ordinance, except as otherwise specifically provided herein.

722 **ARTICLE II**

723 **AUTHORIZATION, ISSUANCE AND MODES**

724 **OF THE BONDS**

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

726 (a) Authorization; Initial Mode. To finance a portion of the cost of capital  
727 projects of the System, the county will issue a series of Multi-Modal LTGO/Sewer  
728 Revenue Bonds in the aggregate principal amount of not to exceed \$50,000,000

729 designated as the "King County, Washington, Multi-Modal Limited Tax General  
730 Obligation Bonds (Payable from Sewer Revenues), Series 2010B" (the "Bonds"). The  
731 Bonds will be dated the date of their authentication and delivery to the Underwriter and  
732 will bear interest at the applicable rate or rates during each applicable Interest Accrual  
733 Period until the entire principal amount of the Bonds has been paid.

734 The Bonds will be issued initially in the Weekly Mode and may be converted to  
735 another Interest Rate Mode as provided herein. The initial Weekly Rate on the Bonds  
736 will be determined on or prior to the date of issuance of the Bonds by the Underwriter as  
737 the lowest rate that in its judgment is necessary to enable the Bonds to be sold at a price  
738 equal to the principal amount thereof and will be set forth in a certificate of the  
739 Underwriter delivered at or before the date of issuance of the Bonds. Thereafter the  
740 interest rate to be applicable to the Bonds will be determined as provided in Section 2.6  
741 of this ordinance until the Interest Rate Mode for the Bonds is changed, as provided  
742 herein.

743 (b) Registration Covenant; Registrar. The county covenants that, until all  
744 Bonds have been surrendered and canceled, it will maintain a system for recording the  
745 ownership of each Bond that complies with the provisions of Section 149 of the Code. In  
746 accordance with K.C.C. Chapter 4.84, the county hereby adopts for the Bonds the system  
747 of registration specified and approved by the Washington State Finance Committee,  
748 which utilizes the fiscal agency of the State of Washington in New York City as registrar,  
749 authenticating agent, paying agent and transfer agent for the Bonds (the "Registrar"). The  
750 Registrar will keep, or cause to be kept, at its corporate trust office, sufficient books for  
751 the registration and transfer of the Bonds, which will at all times be open to inspection by

752 the county (the "Bond Register"). So long as any Bonds remain Outstanding, the  
753 Registrar will make all necessary provisions to permit the exchange or registration of  
754 transfer of Bonds at its principal corporate trust office. The Registrar is authorized, on  
755 behalf of the county, to authenticate and deliver Bonds transferred or exchanged in  
756 accordance with the provisions of the Bonds and this ordinance and to carry out all of the  
757 Registrar's powers and duties under this ordinance. The Registrar is responsible for its  
758 representations contained in the Certificate of Authentication on the Bonds.

759 (c) DTC as Initial Securities Depository. To induce DTC to accept the Bonds  
760 as eligible for deposit at DTC, the county has heretofore executed and delivered to DTC a  
761 Letter of Representations. The Bonds will initially be held in fully immobilized form in a  
762 Book-Entry System by DTC acting as Securities Depository. The county, the Registrar,  
763 and the Paying Agent have no responsibility or obligation to DTC Participants or the  
764 persons for whom they act as nominees with respect to the accuracy of any records  
765 maintained by DTC or any DTC Participant as to the Bonds, the payment by DTC or any  
766 DTC Participant of any amount in respect of the principal or redemption price of or  
767 interest on the Bonds, any notice that is permitted or required to be given to Owners  
768 under this ordinance (except any such notices as must be given by the county to the  
769 Registrar, the Paying Agent, or to DTC), the selection by DTC or by any DTC Participant  
770 of any person to receive payment in the event of a partial redemption of the Bonds, or any  
771 consent given or other action taken by DTC as the Owner of the Bonds.

772 (d) Initial Registration; Transfers. The Bonds will be registered initially in the  
773 name of "Cede & Co.," as nominee of DTC, with one Bond in a denomination  
774 corresponding to the total principal amount of the Bonds designated to mature on the

775 Maturity Date. Purchases of the Bonds, in Authorized Denominations, may be made  
776 through brokers and dealers, who must be or act through DTC Participants. Registered  
777 ownership of such immobilized Bonds, or any portions thereof, may not thereafter be  
778 transferred except (i) to any successor Securities Depository or its nominee, provided that  
779 any such successor must be qualified under any applicable laws to provide the service  
780 proposed to be provided by it; (ii) to any substitute Securities Depository appointed by  
781 the county pursuant to subsection (e) of this Section 2.1; or (iii) to any person as provided  
782 in subsection (h) of this Section 2.1.

783 (e) Substitute Depository. Upon the resignation of DTC or its successor (or  
784 any substitute depository or its successor) from its functions as depository or a  
785 determination by the county that it is no longer in the best interests of owners of  
786 beneficial interests in the Bonds to continue the system of book-entry transfers through  
787 DTC or its successor (or any substitute depository or its successor), the county may  
788 appoint a substitute depository or terminate the use of a depository. Any such substitute  
789 depository must be qualified under any applicable laws to provide the services proposed  
790 to be provided by it.

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

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

808           (h)     Transfer or Exchange of Certificated Bonds. If the Bonds are no longer  
809     held in a Book-Entry System, the transfer of ownership of any Bond may be registered  
810     and such Bonds may be exchanged, but no transfer of any Bond will be valid unless it is  
811     surrendered to the Registrar with the assignment form appearing on such Bond duly  
812     executed by the Owner or such Owner's duly authorized agent in a manner satisfactory to  
813     the Registrar. Upon such surrender, the Registrar will cancel the surrendered Bond and  
814     authenticate and deliver, without charge to the Owner or transferee therefor, a new Bond  
815     (or Bonds at the option of the new Owner) of the same date and Maturity Date and for the  
816     same aggregate principal amount in any Authorized Denomination, naming as Owner the  
817     person or persons listed as the assignee on the assignment form appearing on the  
818     surrendered Bond, in exchange for the surrendered and canceled Bond. Any Bond may  
819     be surrendered to the Registrar and exchanged, without charge, for an equal aggregate

820 principal amount of Bonds of the same date and Maturity Date in any Authorized  
821 Denomination. Other than in connection with an optional or mandatory tender for  
822 purchase, the Registrar will not be obligated to transfer or exchange any Bond during the  
823 15-day period prior to the selection of Bonds for redemption or the Maturity Date or  
824 following any publication of notice of redemption. No charge will be imposed upon  
825 Owners in connection with any transfer or exchange, except for taxes or governmental  
826 charges related thereto.

827           SECTION 2.2. Denominations, Method of Payment, Authentication, and  
828 **Form of Bonds.**

829           (a)   Registered Ownership. The Bonds will be issued in the form of fully  
830 registered Bonds in Authorized Denominations. Except as may be specifically set forth  
831 herein, the Registrar, the Remarketing Agent, if any, and the county may treat the Owner  
832 (including the Securities Depository or its nominee, so long as the Bonds are held in the  
833 Book-Entry System) of a Bond as the absolute owner thereof for all purposes, whether or  
834 not such Bond is overdue, and the county, Registrar, and Remarketing Agent, if any, will  
835 not be affected by any knowledge or notice to the contrary; and payment of the principal  
836 of and premium, if any, and interest on such Bond will be made only to such Owner,  
837 which payments will be valid and effectual to satisfy and discharge the liability of such  
838 Bond to the extent of the sum or sums so paid. All Bonds at maturity or on earlier  
839 redemption paid pursuant to the provisions of this Section will be cancelled by the  
840 Registrar.

841           (b)   Method of Payment of Bonds. The principal of and premium, if any, and  
842 interest on the Bonds are payable in lawful money of the United States of America.

843 Unless otherwise provided in any writing with or from the Securities Depository, the  
844 interest on the Bonds will be paid by the Paying Agent on the Interest Payment Dates by  
845 wire transfer of immediately available funds to an account specified by the Owner in a  
846 writing delivered to the Paying Agent. Any such specified account will remain in effect  
847 until revised by such Owner by an instrument in writing delivered to the Paying Agent.  
848 The principal of and premium, if any, on each Bond is payable on the Principal Payment  
849 Date, upon surrender thereof at the Principal Office of the Paying Agent.

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

855 The Bonds will be executed on behalf of the county by the manual or facsimile  
856 signatures of the county executive and the clerk of the county council, and the official  
857 seal of the county will be reproduced thereon. The validity of any Bond so executed will  
858 not be affected by the fact that one or more of the officers whose signatures appear on  
859 such Bond have ceased to hold office at the time of issuance or authentication or at any  
860 time thereafter.

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



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

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

878 **SECTION 2.3. Payment of Principal of and Interest on Bonds; Acceptance of**  
879 **Terms and Conditions.**

880 (a) The interest on the Bonds will become due and payable on the Interest  
881 Payment Dates in each year to and including the Maturity Date, and on each Redemption  
882 Date. The principal of the Bonds will become due and payable on the Principal Payment  
883 Dates.

884 (b) By the acceptance of its Bond, the Owner and each Beneficial Owner  
885 thereof will be deemed to have agreed to all the terms and provisions of such Bond as  
886 specified in such Bond and this ordinance including, without limitation, the applicable  
887 Interest Periods, interest rates (including any applicable Alternate Rate), Purchase Dates,

888 Mandatory Purchase Dates, Purchase Prices, mandatory and optional purchase and  
889 redemption provisions applicable to the Bond, method and timing of purchase,  
890 redemption, payment, etc. That Owner and each Beneficial Owner further agree that if,  
891 on any date upon which one of its Bonds is to be purchased, redeemed or paid at maturity  
892 or earlier due date, funds are on deposit with the Paying Agent or the Registrar to pay the  
893 full amount due on the Bond, then such Owner or Beneficial Owner will have no rights  
894 under this ordinance other than to receive the full amount due with respect to that Bond  
895 and that interest on that Bond will cease to accrue as of such date.

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

899 **SECTION 2.4. Calculation and Payment of Interest; Change in Interest Rate**  
900 **Mode; Maximum Rate.**

901 (a) When a Short-Term Mode or a LIBOR Indexed Mode is in effect, interest  
902 will be calculated on the basis of a 365/366-day year for the actual number of days  
903 elapsed. When a Term Rate Mode or Fixed Rate Mode is in effect, interest will be  
904 calculated on the basis of a 360-day year comprised of twelve 30-day months. Payment  
905 of interest on each Bond will be made on each Interest Payment Date for such Bond for  
906 unpaid interest accrued during the Interest Accrual Period to the Owner of record of such  
907 Bond on the applicable Record Date.

908 (b) Bonds in any Interest Rate Mode, other than a Fixed Rate Mode, may be  
909 changed to any other Interest Rate Mode at the times and in the manner hereinafter  
910 provided. Subsequent to such change in Interest Rate Mode (other than a change to a

911 Fixed Rate Mode), the Bonds may again be changed to a different Interest Rate Mode at  
912 the times and in the manner hereinafter provided. A Fixed Rate Mode will be in effect  
913 until the Maturity Date and may not be changed to any other Interest Rate Mode.

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

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

921 **SECTION 2.5. Determination of Flexible Rates and Interest Periods During**  
922 **Flexible Mode.** An Interest Period for the Bonds in the Flexible Mode will last from one  
923 to 270 calendar days, ending on a day preceding a Business Day or the Maturity Date, as  
924 the Remarketing Agent will determine in accordance with the provisions of this Section.  
925 A Flexible Rate Bond can have an Interest Period, and bear interest at a Flexible Rate,  
926 different from another Flexible Rate Bond. In making the determinations with respect to  
927 Interest Periods, subject to limitations imposed by the second preceding sentence and in  
928 Section 2.4 of this ordinance, on each Rate Determination Date for a Flexible Rate Bond,  
929 the Remarketing Agent will select for such Bond the Interest Period that would result in  
930 the Remarketing Agent's being able to remarket such Bond at par in the secondary market  
931 at the lowest average interest cost for all Flexible Rate Bonds; provided, however, that if  
932 the Remarketing Agent has received notice from the county that the Bonds are to be  
933 changed from the Flexible Mode to any other Interest Rate Mode, the Remarketing Agent

934 must select Interest Periods that do not extend beyond the resulting applicable Mandatory  
935 Purchase Date of the Bonds.

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

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

949 **SECTION 2.6. Determination of Interest Rates During the Daily Mode and**  
950 **the Weekly Mode.** The interest rate for the Bonds in the Daily Mode or Weekly Mode  
951 will be the rate of interest per annum determined by the Remarketing Agent on and as of  
952 the applicable Rate Determination Date as the minimum rate of interest that, in the  
953 opinion of the Remarketing Agent under then-existing market conditions, would result in  
954 the sale of the Bonds in the Daily Rate Period or Weekly Rate Period, as applicable, at a  
955 price equal to the principal amount thereof, plus interest, if any, accrued through the Rate  
956 Determination Date during the then current Interest Accrual Period.

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

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

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

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

974 (a) Term Rates. Except as provided in Section 2.8 of this ordinance, once the  
975 Bonds are changed to the Term Rate Mode, the Bonds will continue in the Term Rate  
976 Mode until changed to another Interest Rate Mode in accordance with Section 2.10 of  
977 this ordinance. The Term Rate will be determined by the Remarketing Agent not later  
978 than 4:00 P.M. on the Rate Determination Date, and the Remarketing Agent will make  
979 the Term Rate available by Electronic Means to any Notice Party requesting such rate.

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

992 (b) Fixed Rates. The Remarketing Agent will determine the Fixed Rate for  
993 the Bonds being converted to the Fixed Rate Mode in the manner and at the times as  
994 follows: not later than 4:00 P.M. on the applicable Rate Determination Date, the  
995 Remarketing Agent will determine the Fixed Rate (or Rates, if the Bonds will have Serial  
996 Maturity Dates in accordance with Section 2.10(b)(v) of this ordinance). Except as set  
997 forth in Section 2.10(b)(v) of this ordinance, the Fixed Rate will be the minimum interest  
998 rate that, in the sole judgment of the Remarketing Agent, will result in a sale of the Bonds  
999 at a price equal to the principal amount thereof on the Rate Determination Date. The  
1000 Remarketing Agent will make the Fixed Rate available by Electronic Means after 5:00  
1001 P.M. on the Rate Determination Date to any Notice Party requesting such Fixed Rate.  
1002 Upon request of any Notice Party the Paying Agent will give notice of such rate by

1003 Electronic Means. Subject to Section 2.10(b)(v) of this ordinance, the Fixed Rate so  
1004 established will remain in effect until the Maturity Date of such Bonds.

1005 SECTION 2.8. Alternate Rates. The following provisions will apply in the  
1006 event (i) the Remarketing Agent fails or is unable to determine the interest rate or Interest  
1007 Period for the Bonds other than when the Bonds are in the LIBOR Indexed Mode, (ii) the  
1008 method by which the Remarketing Agent determines the interest rate or Interest Period  
1009 with respect to the Bonds (or the selection by the county of the Interest Periods for Bonds  
1010 in the Term Rate Mode) is held to be unenforceable by a court of law of competent  
1011 jurisdiction or (iii) if the Remarketing Agent suspends its remarketing effort in  
1012 accordance with the Remarketing Agreement. These provisions will continue to apply  
1013 until such time as the Remarketing Agent (or the county if applicable) again makes such  
1014 determinations. In the case of clause (ii) above, the Remarketing Agent (or the county, if  
1015 applicable) will again make such determination at such time as there is delivered to the  
1016 Remarketing Agent and the county an opinion of Bond Counsel to the effect that there  
1017 are no longer any legal prohibitions against such determinations. The following are the  
1018 methods by which the interest rates and, in the case of the Flexible and Term Rate  
1019 Modes, the Interest Periods, will be determined for the Bonds as to which any of the  
1020 events described in clauses (i), (ii) or (iii) are applicable. Such methods will be  
1021 applicable from and after the date any of the events described in clauses (i), (ii) or (iii)  
1022 first apply to the Bonds until such time as the events described in clauses (i), (ii) or (iii)  
1023 no longer apply to the Bonds. These provisions will not apply if the county fails to select  
1024 an Interest Period for the Bonds in the Term Rate Mode for a reason other than as  
1025 described in clause (ii) above.

1026 (a) For Flexible Rate Bonds, the next Interest Period will be from, and  
1027 including, the first day following the last day of the current Interest Period for the Bonds  
1028 to, but excluding, the next succeeding Business Day, and thereafter will commence on  
1029 each Business Day and extend to, but exclude, the next succeeding Business Day. For  
1030 each such Interest Period, the interest rate for the Bonds will be the applicable Alternate  
1031 Rate in effect on the Business Day that begins an Interest Period.

1032 (b) If the Bonds are in the Daily Mode or the Weekly Mode, then the Bonds  
1033 will bear interest during each subsequent Interest Period at the Alternate Rate in effect on  
1034 the first day of such Interest Period.

1035 If the Bonds are then in the Term Rate Mode, then the Bonds will automatically  
1036 convert to Flexible Rate Bonds, with an Interest Period commencing on the first day  
1037 following the last day of the current Interest Period for the Bonds to, but excluding, the  
1038 next succeeding Business Day and thereafter will commence on each Business Day and  
1039 extend to, but exclude, the next succeeding Business Day. For each such Interest Period,  
1040 the interest rate for the Bonds will be the applicable Alternate Rate in effect at the  
1041 beginning of each such Interest Period.

1042 **SECTION 2.9. Determination of LIBOR Index Rates.** During each LIBOR  
1043 Interest Period, the Bonds will bear interest at the LIBOR Index Rate, which will be the  
1044 rate of interest per annum determined by the Registrar on the Rate Determination Date to  
1045 be the sum of (a) 67% of the Three-Month LIBOR Rate and (b) a rate per annum  
1046 determined on or before the Conversion Date by the Remarketing Agent, in its sole  
1047 discretion based on market conditions at the time such rate is determined, which, when  
1048 added to the rate calculated pursuant to clause (a) results in a LIBOR Index Rate



1049 necessary to sell the Bonds at 100% of the principal amount on the Conversion Date.  
1050 The LIBOR Index Rate will be rounded upward or downward to the fifth decimal place  
1051 and the LIBOR Index Rate may not exceed the Maximum Rate. Upon the request of the  
1052 Owner or Beneficial Owner of any Bond, the Registrar will provide the LIBOR Index  
1053 Rate then in effect and, if determined, the LIBOR Index Rate that will become effective  
1054 for the next LIBOR Interest Period. The Registrar's determination of any LIBOR Index  
1055 Rate, and its calculation of the amount of interest for any LIBOR Interest Period, will be  
1056 final and binding in the absence of manifest error.

1057        SECTION 2.10. Changes in Interest Rate Mode. Subject to the provisions of  
1058 this Section, the county may effect a change in Interest Rate Mode with respect to the  
1059 Bonds by following the procedures set forth in this Section. If a change in Interest Rate  
1060 Mode will make the Bonds subject to Rule 15c2-12 promulgated under the Securities  
1061 Exchange Act of 1934, as amended, it will be a condition to the conversion that the  
1062 county execute a continuing disclosure undertaking satisfying the requirements of such  
1063 Rule and cooperate with the Remarketing Agent, if any, and any Underwriter (as defined  
1064 in such Rule) in satisfying the requirements of such Rule.

1065        (a)     Changes to Interest Rate Modes Other Than to Fixed Rate Mode. All or a  
1066 portion of the Bonds (other than Bonds in the Fixed Rate Mode) may be changed from  
1067 one Interest Rate Mode to another Interest Rate Mode (other than the Fixed Rate Mode)  
1068 as follows:

1069            (i)     Conversion Notice; Notice to Owners. No later than a Business  
1070 Day that is at least seven Business Days prior to the date on which the Registrar is  
1071 required to notify the registered owners (or such shorter time as may be agreed to by the

1072 county, the Registrar and the Remarketing Agent) preceding the proposed Conversion  
1073 Date, the county must give written notice to the Notice Parties of its intention to change  
1074 the Interest Rate Mode from the Interest Rate Mode then prevailing (for purposes of this  
1075 Section, the "Current Mode") to another Interest Rate Mode (for purposes of this Section,  
1076 the "New Mode") specified in such written notice, and, if the change is to a Term Rate  
1077 Mode, the length of the initial Interest Period as set by the county. Such notice must be  
1078 accompanied by a Favorable Opinion of Bond Counsel. In the case of a change to a  
1079 Term Rate Mode or from one Term Rate Mode to another Term Rate Mode, such notice  
1080 to the Notice Parties must also state whether a Liquidity Facility or Credit Enhancement  
1081 will be in effect with respect to the Bonds following such change and the identity of any  
1082 provider of a Liquidity Facility or Credit Enhancement. Notice of the proposed change in  
1083 Interest Rate Mode must be given by the Registrar to the Owners of the Bonds not later  
1084 than the 20th day next preceding the Conversion Date; provided, however, that no notice  
1085 need be given for a Conversion Date occurring on the first Business Day following the  
1086 last day of a Flexible Rate Period or Term Rate Mode or on a Substitution Date. Such  
1087 notice must state: (1) the Interest Rate Mode to which the conversion will be made and  
1088 the Conversion Date; (2) in the case of a change from any Interest Rate Mode that the  
1089 Bonds will be subject to mandatory purchase on the Conversion Date (regardless of  
1090 whether all of the conditions to the change in the Interest Rate Mode are satisfied) and the  
1091 Purchase Price of the Bonds; and (3) if the Book-Entry System is no longer in effect,  
1092 information with respect to required delivery of bond certificates and payment of  
1093 Purchase Price.

1094                   (ii)    Determination of Interest Rates. The New Mode will commence  
1095 on the Conversion Date and the interest rate(s) (together, in the case of a change to the  
1096 Flexible Mode, with the Interest Period(s)) will be determined by the Remarketing Agent  
1097 (or the county in the case of the Interest Period for the Bonds converted to the Term Rate  
1098 Mode) in the manner provided in Sections 2.5, 2.6 and 2.7 of this ordinance, as  
1099 applicable. Such determination will be conclusive and binding upon the county, the  
1100 Registrar, and the Owners of the Bonds to which such rate will be applicable.

1101                   (iii)   Conditions Precedent:

1102                               (A)    The Conversion Date will be:

1103                                       (1)    in the case of a change from the Flexible Mode to  
1104 another Interest Rate Mode, the next Mandatory Purchase Date for all of the Flexible  
1105 Rate Bonds;

1106                                       (2)    in the case of a change from the Daily or Weekly  
1107 Mode to another Interest Rate Mode (other than to the Daily or Weekly Mode), any  
1108 Interest Payment Date, and in the case of a change from the Daily or Weekly Mode to the  
1109 Daily or Weekly Mode, any Business Day; and

1110                                       (3)    in the case of a change from the Term Rate Mode to  
1111 another Interest Rate Mode, or from a Term Rate Period to a Term Rate Period of a  
1112 different duration, or from a LIBOR Indexed Mode to another Interest Rate Mode, the  
1113 Conversion Date will be limited to any Interest Payment Date on which the Bonds are  
1114 subject to optional redemption or to the last Interest Payment Date of the current Term  
1115 Rate Period, as the case may be. Such Bonds will be purchased on such Conversion Date  
1116 at a Purchase Price equal to 100% of the principal amount thereof, provided that if such

1117 Bonds would otherwise be subject to optional redemption on such Conversion Date at a  
1118 Redemption Price of more than 100% of the principal amount thereof, such Bonds will be  
1119 purchased at a Purchase Price equal to such Redemption Price.

1120 (B) If the Bonds to be converted are in the Flexible Mode, no  
1121 Interest Period set after delivery by the county to the Remarketing Agent of the notice of  
1122 the intention to change the Interest Rate Mode will extend beyond the day preceding the  
1123 proposed Conversion Date.

1124 (C) The following items must be delivered to the Registrar, the  
1125 Tender Agent, and the Remarketing Agent, if any, on or prior to each Conversion Date:

1126 (1) a Favorable Opinion of Bond Counsel dated the Conversion  
1127 Date and addressed to the Notice Parties;

1128 (2) if there is to be a Liquidity Facility or an Alternate  
1129 Liquidity Facility or a Credit Enhancement or an Alternate Credit Enhancement delivered  
1130 in connection with such change, the items required by Section 3.13(d) of this ordinance;  
1131 and

1132 (3) a Rating Confirmation Notice, or if the Conversion  
1133 Date is a Mandatory Purchase Date, a notice from the Rating Agencies of the rating(s) to  
1134 be assigned the Bonds on such Conversion Date.

1135 (D) It is a condition to the conversion of the Bonds from the  
1136 LIBOR Indexed Mode that all Bonds being converted be remarketed on the Conversion  
1137 Date.

1138 (b) Change to Fixed Rate Mode. At the option of the county, all or any  
1139 portion of the Bonds bearing interest at a Daily Rate, a Weekly Rate or a Flexible Rate

1140 (in an amount that is an Authorized Denomination for the new Rate Period) may be  
1141 changed to the Fixed Rate Mode, as provided in this Section 2.10(b). On any Business  
1142 Day that is at least seven Business Days prior to the date on which the Registrar is  
1143 required to notify the registered owners (or such shorter time as may be agreed to by the  
1144 county, the Registrar and the Remarketing Agent, but in any event not less than the 20th  
1145 day next preceding the Conversion Date) before the proposed Conversion Date, the  
1146 county will give written notice to the Notice Parties stating that the Interest Rate Mode  
1147 will be changed to the Fixed Rate Mode and setting forth the proposed Conversion Date.  
1148 Such notice will also state whether or not there will be Credit Enhancement with respect  
1149 to the Bonds following such change and, if so, the identity of the Credit Provider. In  
1150 addition, such notice will state whether some or all of the Bonds to be converted will be  
1151 converted to Serial Bonds and, if so, the applicable Serial Maturity Dates and Serial  
1152 Payments, all as determined pursuant to subsection (v) of this subsection (b). Such notice  
1153 must be accompanied by a Favorable Opinion of Bond Counsel. Any such change in  
1154 Interest 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  
1157 Mandatory Purchase Date for the Flexible Rate Bonds;
- 1158 (B) in the case of a change from the Daily or Weekly Mode,  
1159 any Interest Payment Date; and
- 1160 (C) in the case of a change from the Term Rate Mode or the  
1161 LIBOR Indexed Mode, the Conversion Date will be limited to any Interest Payment Date  
1162 on 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  
1181 Date and addressed to the county, the Registrar and the Remarketing Agent, if any;

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

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

1187 (iv) Determination of Interest Rate. The Fixed Rate (or rates in the  
1188 case 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  
1198 Bonds to the Fixed Rate Mode, the Bonds will be remarketed at par, will mature on the  
1199 same Maturity Date(s) and be subject to the same mandatory sinking fund redemption, if  
1200 any, 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. In  
1208 the event the conditions described above in subsections (a) or (b) of this Section 2.10, as  
1209 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,  
1231 the 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  
1296 any redemption of Bonds to permit the Registrar to give notice to the Securities  
1297 Depository at least 30 days prior to the proposed Redemption Date for Bonds in any  
1298 Long-Term Mode and at least 15 days prior to the proposed Redemption Date for Bonds

1299 in any Short-Term Mode. For so long as the Book-Entry System is in effect, notice of  
1300 any redemption will be provided in accordance with the operational arrangements of the  
1301 Securities Depository referred to in the Letter of Representations, and, except as provided  
1302 in an undertaking to provide continuing disclosure under the Rule, the county will  
1303 provide no additional published or other notice. If the Bonds are not held in a Book-  
1304 Entry System, the Registrar will give written notice of any redemption of Bonds by first  
1305 class mail, postage prepaid, not less than 30 days (for Bonds in any Long-Term Mode) or  
1306 not less than 15 days (for Bonds in any Short-Term Mode) nor more than 60 days before  
1307 the proposed Redemption Date to the registered owners of Bonds that are to be redeemed  
1308 at their last addresses shown on the Bond Register.

1309 (b) Contents of Notice. Each notice of redemption will state: (1) the  
1310 Redemption Date, (2) the Redemption Price, (3) the CUSIP numbers of the Bonds being  
1311 redeemed, (4) if less than all outstanding Bonds are to be redeemed, identification  
1312 information and principal amounts of the Bonds to be redeemed, (5) the dated date of the  
1313 Bonds, (6) the rate of interest for each Bond being redeemed, (7) that the Bonds are to be  
1314 surrendered for payment at the principal office of the Registrar, (8) any condition to the  
1315 redemption, (9) that on the Redemption Date, upon the satisfaction of any such condition,  
1316 the 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,  
1356 in accordance with the terms and conditions of the Remarketing Agreement, to offer for  
1357 sale at par up to the Maximum Rate:

1358 (i) all Bonds or portions thereof as to which notice of tender pursuant  
1359 to 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  
1371 Agent will not remarket Bonds held by or for the account of the county, or any affiliate of  
1372 the 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  
1379 date 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  
1387 of 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 nor  
1414 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  
1440 this ordinance will be delivered by the Remarketing Agent to the purchasers of those  
1441 Bonds 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  
1447 this ordinance will be registered immediately in the name of the county or its nominee on  
1448 or before 3:00 P.M. Bonds so owned by the county will continue to be Outstanding  
1449 under the terms of this ordinance and subject to all of the terms and conditions of this  
1450 ordinance 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  
1471 long as the Book-Entry System for the Bonds is maintained:

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

1474 (A) any Bonds subject to mandatory or optional purchase as a  
1475 condition 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

1478 Provider Bonds; and

1479 (ii) except as provided in subsection (b)(iii) below, none of the

1480 Registrar, the Tender Agent nor the Paying Agent will have any responsibility for paying

1481 the 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  
1486 Section 3.8(c) hereof, which draw will be in an amount equal to the difference between  
1487 the Purchase Price of such Bond and any remarketing proceeds received by the  
1488 Remarketing Agent in connection with a partial remarketing of such Bond, and to remit  
1489 the amount so drawn to or upon the order of the Securities Depository for the benefit of  
1490 the tendering Beneficial Owners; and

1491 (B) remit any proceeds derived from the remarketing of a  
1492 Liquidity 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  
1496 12:00 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  
1504 Agent by 12:00 noon on the date on which such Bond is to be purchased, the Tender  
1505 Agent will hold any funds received for the purchase of those Bonds in the Purchase Fund  
1506 uninvested and without liability for interest and will pay such funds to the former Owners  
1507 of the Bonds upon presentation of the Bonds. Such undelivered Bonds will cease to  
1508 accrue interest as to the former Owners on such purchase date, and money representing  
1509 the Purchase Price will be available against delivery of those Bonds at the Principal  
1510 Office of the Tender Agent; provided, however, that any funds so held by the Tender  
1511 Agent that remain unclaimed by the former Owner of a Bond not presented for purchase  
1512 for a period of three years after delivery of those funds to the Tender Agent, will, to the  
1513 extent permitted by law, upon request in writing by the county and the furnishing of  
1514 security or indemnity to the Tender Agent's satisfaction, be paid to the county free of any  
1515 trust or lien. Thereafter the former Owner of such Bond may look only to the county and  
1516 then only to the extent of the amounts so received by the county without any interest  
1517 thereon, and the Tender Agent will have no further responsibility with respect to such  
1518 money or 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  
1528 county may elect to terminate the Credit Enhancement without obtaining an Alternate  
1529 Credit 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  
1598 the Notice Parties and Owners of the affected Bonds, a written notice of the new  
1599 Expiration Date at least 21 days prior to the fifth Business Day prior to the Expiration  
1600 Date in effect prior to such extension.

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

1605 (g) Any claim by the Registrar, Paying Agent or Tender Agent on any  
1606 amounts drawn under the Credit Enhancement or the Liquidity Facility or on any  
1607 amounts on deposit in the account described in subsection (a) of this Section 3.13 in  
1608 which proceeds of draws on the Credit Enhancement are deposited or the Liquidity  
1609 Facility Purchase 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  
1625 on the Liquidity Facility pursuant to Section 3.8(c) of this ordinance, the Tender Agent  
1626 will 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  
1632 pursuant to Section 3.9(c) of this ordinance, the Tender Agent will deposit such Funds in  
1633 the 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  
1637 the 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  
1655 Agent 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  
1664 will 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  
1690 on 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 2010A  
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  
1755 council hereby declares that, in fixing the amounts to be paid into the Multi-Modal  
1756 LTGO/Sewer Revenue Bond Fund and the accounts therein out of the Revenue of the  
1757 System, it has exercised due regard for the necessary Operating and Maintenance  
1758 Expenses and has not obligated the county to set aside, pay into and maintain in said fund  
1759 and accounts a greater amount of the Revenue of the System than in its judgment will be  
1760 available over 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



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

1827

rates 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

1836

5.1(b), the county hereby covenants with the owners of the Bonds for so long as any of

1837

the same are Outstanding that the county will at all times establish, maintain and collect

1838

rates and charges for sewage disposal service that, together with the interest to be earned

1839

on 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  
1847 year any amount withdrawn from the Rate Stabilization Fund and deposited in the  
1848 Revenue Fund. There will be subtracted from Revenue of the System for any year any  
1849 amounts in such year withdrawn from the Revenue Fund and deposited into the Rate  
1850 Stabilization 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  
1855 business in connection therewith to be operated in a safe, sound, efficient, and economic  
1856 manner in compliance with all health, safety, and environmental laws, regulatory body  
1857 rules, 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  
1872 and 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  
1880 authorized and ordered portions of the Comprehensive Plan to be performed and  
1881 completed within a reasonable time and at the lowest reasonable cost.

1882 (f) Collection of Revenue. The county will so operate and maintain the  
1883 System and conduct its affairs as to entitle it at all times to receive and enforce payment  
1884 to it of sewage disposal charges payable (i) pursuant to the ordinance or ordinances  
1885 establishing a tariff of rates and charges for sewage disposal services and (ii) under any  
1886 Service Agreement that the county has now or may hereafter enter into and to entitle the  
1887 county to collect all revenues derived from the operation of the System. The county may  
1888 not 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  
1899 adopt this ordinance, to sell, issue and deliver Bonds as provided herein, and to carry out  
1900 and consummate all other transactions contemplated by this ordinance.

1901 (h) Due Authorization. By all necessary official action prior to or  
1902 concurrently herewith, the county has duly authorized and approved the execution and  
1903 delivery of, and the performance by the county of its obligations contained in, the Bonds  
1904 and in this ordinance and the consummation by it of all other transactions necessary to  
1905 effectuate this ordinance in connection with the issuance of Bonds, and such  
1906 authorizations and approvals are in full force and effect and have not been amended,  
1907 modified or 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  
1911 county's part with the provisions contained herein, will not conflict with or constitute a  
1912 breach of or default under any constitutional provisions. law, administrative regulation,

1913 judgment, decree, loan agreement, indenture, bond, note, resolution, ordinance, motion,  
1914 agreement or other instrument to which the county is a party or to which the county or  
1915 any of its property or assets are otherwise subject, nor will any such adoption, execution,  
1916 delivery, sale, issuance or compliance result in the creation or imposition of any lien,  
1917 charge or other security interest or encumbrance of any nature whatsoever upon any of  
1918 the property or assets of the county or under the terms of any such law, regulation or  
1919 instrument, 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  
1926 of 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  
1935 structure such Bonds so that interest on such Bonds would be excludable from gross

1936 income for federal income tax purposes pursuant to sections 103 and 141 through 150 of  
1937 the Code (the "Tax-Exempt Bonds") or to confer other benefits under the Code to the  
1938 county or owners of such Bonds ("Tax-Benefited Bonds"). The county covenants not to  
1939 take any action, or knowingly to omit to take any action within its control, that if taken or  
1940 omitted would cause the interest on Tax-Exempt Bonds to be includable in gross income,  
1941 as 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-  
1943 Benefited Bonds, the Finance Director is authorized to execute a federal tax certificate  
1944 (the "Tax Certificate"), which will certify to various facts and representations concerning  
1945 such Bonds, based on the facts and estimates known or reasonably expected on the date  
1946 of 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  
1960 Parity Bonds, Parity Lien Obligations and Junior Lien Obligations on the terms and  
1961 conditions set forth in the ordinances authorizing issuance of the Parity Bonds, Parity  
1962 Lien 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  
1976 Revenue in any 12 consecutive months out of the most recent 18 months preceding the  
1977 issuance of such additional Multi-Modal LTGO/Sewer Revenue Bonds, based on  
1978 financial statements of the System prepared by the county and after deducting therefrom  
1979 the Senior Lien Payments required in each calendar year during the life of such additional  
1980 Multi-Modal LTGO/Sewer Revenue Bonds, will be at least equal to 1.10 times the  
1981 Annual Debt Service for the proposed additional Multi-Modal LTGO/Sewer Revenue

1982 Bonds and all then outstanding Junior Lien Obligations and Multi-Modal LTGO/Sewer  
1983 Revenue Bonds in each year during the life of such additional Multi-Modal LTGO/Sewer  
1984 Revenue Bonds; or

1985 (2) A certificate from a Professional Utility Consultant (which  
1986 certificate may not be dated more than 90 days prior to the date of delivery of such  
1987 additional Multi-Modal LTGO/Sewer Revenue Bonds) showing that in his or her  
1988 professional opinion the Net Revenue, estimated on the basis of all factors as he or she  
1989 may consider reasonable, for each of the five calendar years next following the year in  
1990 which such additional Multi-Modal LTGO/Sewer Revenue Bonds are to be issued, after  
1991 deducting therefrom Senior Lien Payments for each such year, will be at least equal to  
1992 1.10 times the Annual Debt Service for the proposed additional Multi-Modal  
1993 LTGO/Sewer Revenue Bonds and all then outstanding Junior Lien Obligations and  
1994 Multi-Modal LTGO/Sewer Revenue 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  
2002 by Chapter 39.96 RCW and other applicable provisions of State law, the county may  
2003 enter 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  
2007 forth the manner in which the Payment Agreement Payments and the Payment  
2008 Agreement 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  
2027 not taken into account in calculating interest on any outstanding Multi-Modal  
2028 LTGO/Sewer Revenue Bonds because the Payment Agreement is not then related to any  
2029 outstanding Multi-Modal LTGO/Sewer Revenue Bonds, Payment Agreement Payments  
2030 on that Payment Agreement will be calculated based upon the following assumptions:

2031 (A) County Obligated to Make Payments Based on Fixed Rate.

2032 If the county is obligated to make Payment Agreement Payments based on a fixed rate  
2033 and the Qualified Counterparty is obligated to make payments based on a variable rate  
2034 index, payments by the county will be based on the assumed fixed payor rate, and  
2035 payments by the Qualified Counterparty will be based on a rate equal to the average rate  
2036 determined by the variable rate index specified by the Payment Agreement during the  
2037 fiscal quarter preceding the quarter in which the calculation is made; and

2038 (B) County Obligated to Make Payments Based on Variable  
2039 Rate Index. If the county is obligated to make Payment Agreement Payments based on a  
2040 variable rate index and the Qualified Counterparty is obligated to make payments based  
2041 on a fixed rate, payments by the county will be based on a rate equal to the average rate  
2042 determined by the variable rate index specified by the Payment Agreement during the  
2043 fiscal quarter preceding the quarter in which the calculation is made, and the Qualified  
2044 Counterparty will make payments based on the fixed rate specified by the Payment  
2045 Agreement.

2046 (c) Prior Notice to Rating Agencies. The county will give notice to each  
2047 Rating Agency 30 days prior to the date it intends to enter into a Payment Agreement  
2048 with respect to any Multi-Modal LTGO/Sewer Revenue Bonds.

2049 **ARTICLE VI**

2050 **EVENTS OF DEFAULT**

2051 SECTION 6.1. Defaults. The county hereby finds and determines that the failure

2052 or refusal of the county or any of its officers to perform the covenants and obligations of

2053 this ordinance will endanger the operation of the System and the application of Revenue

2054 of the System and such other money, funds and securities to the purposes herein set forth.

2055 Any one or more of the following will constitute a Default under this ordinance:

2056 (a) The county fails to make payment of the principal of any Bonds when the  
2057 same becomes due and payable whether by maturity or scheduled redemption prior to  
2058 maturity;

2059 (b) The county fails to make payment of any installment of interest on any  
2060 Bonds when the same becomes due and payable (excluding the interest component, if  
2061 any, of the Purchase Price of any Bonds);

2062 (c) The county defaults in the observance or performance of any other  
2063 covenant, condition, or agreement on the part of the county contained in this ordinance,  
2064 and such default has continued for a period of 30 days.

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

2071 aid of debtors of custody or control of the county or of the whole or any substantial part  
2072 of the System.

2073 (e) Where no Liquidity Facility is in effect, the county fails to pay the  
2074 Purchase Price of any Bonds when due and payable.

2075 (f) Where a Liquidity Facility is in effect and the Liquidity Provider fails to  
2076 honor a conforming draw on the Liquidity Facility to pay the Purchase Price of any  
2077 Bonds when due and payable, the county fails to pay the Purchase Price of such Bonds  
2078 within 365 days after the Purchase Date applicable to such Bonds,

2079 SECTION 6.2. Remedies.

2080 (a) Control by Credit Provider. Upon the occurrence and continuation of a  
2081 Default described in Section 6.1(a)-(d), the Credit Provider, if any, will be entitled to  
2082 exercise, on behalf of the Bondowners, any of the remedies provided under this Section  
2083 and, for as long as the Credit Provider is not in default of its obligations under the Credit  
2084 Enhancement, the Credit Provider will be the only party entitled to exercise the remedies  
2085 provided under this Section.

2086 (b) Bondowners' Trustee. Upon the occurrence of a Default and so long as  
2087 such Default is not remedied, and subject to the rights of the Credit Provider as provided  
2088 in subsection (a) above, a Bondowners' Trustee may be appointed for the Bonds by the  
2089 owners of 51% in principal amount of the Outstanding Bonds by an instrument or  
2090 concurrent instruments in writing signed and acknowledged by such Bondowners or by  
2091 their attorneys-in-fact duly authorized and delivered to such Bondowners' Trustee,  
2092 notification thereof being given to the county. Any Bondowners' Trustee appointed  
2093 under the provisions of this Section must be a bank or trust company organized under the

2094 laws of a state or a national banking association. The fees and expenses of a  
2095 Bondowners' Trustee must be borne by the Bondowners and not by the county. The bank  
2096 or trust company acting as a Bondowners' Trustee may be removed at any time, and a  
2097 successor Bondowners' Trustee may be appointed, by the owners of 51% in principal  
2098 amount of the Bonds Outstanding, by an instrument or concurrent instruments in writing  
2099 signed and acknowledged by such Bondowners or by their attorneys-in-fact duly  
2100 authorized. The Bondowners' Trustee may resign upon 60 days' notice and a new  
2101 Bondowners' Trustee appointed by the owners of at least 51% in principal amount of  
2102 Bonds; provided, however, that no such resignation or removal will be effective until a  
2103 successor Bondowners' Trustee has been appointed and has delivered to the county and  
2104 the Owners of the Bonds then Outstanding a written instrument of acceptance of the  
2105 duties and responsibilities of the Bondowners' Trustee under this ordinance.

2106           The Bondowners' Trustee appointed in the manner herein provided, and each  
2107 successor thereto, is hereby declared to be a trustee for the owners of all Bonds then  
2108 Outstanding and is empowered to exercise all the rights and powers herein conferred on  
2109 the Bondowners' Trustee.

2110           (c)     Legal Action by Bondowners' Trustee. Subject to the rights of the Credit  
2111 Provider, if any, upon the happening of a Default and during the continuation thereof, the  
2112 Bondowners' Trustee may, and upon the written request of the Owners of not less than  
2113 25% in principal amount of Bonds then Outstanding must, take such steps and institute  
2114 such suits, actions or other proceedings, as it may deem appropriate for the protection and  
2115 enforcement of the rights of Bondowners to collect any amounts due and owing to or  
2116 from the county, or to obtain other appropriate relief, and may enforce the specific

2117 performance of any covenant, agreement or condition contained in this ordinance or the  
2118 Bonds. Any action, suit or other proceedings instituted by a Bondowners' Trustee  
2119 hereunder will be brought in its name as trustee for the Bondowners, and all such rights  
2120 of action upon or under any of the Bonds or the provisions of this ordinance may be  
2121 enforced by a Bondowners' Trustee without the possession of any of said Bonds, and  
2122 without the production of the same at any trial or proceedings relating thereto except  
2123 where otherwise required by law. Any such suit or proceeding instituted by the  
2124 Bondowners' Trustee will be brought for the ratable benefit of all Owners of the Bonds,  
2125 subject to the provisions of this ordinance. The respective owners of said Bonds by  
2126 taking and holding the same, will be conclusively deemed irrevocably to appoint a  
2127 Bondowners' Trustee the true and lawful trustee of the respective Owners of said Bonds,  
2128 with authority to institute any such action, suit or proceeding; to receive as trustee and  
2129 deposit in trust any sums that become distributable on account of said Bonds; to execute  
2130 any paper or documents for the receipt of such money, and to do all acts with respect  
2131 thereto that the Bondowner himself might have done. Nothing herein will be deemed to  
2132 authorize or empower any Bondowners' Trustee to consent to accept or adopt, on behalf  
2133 of any Owner of said Bonds, any plan of reorganization or adjustment affecting the said  
2134 Bonds or any right of any Owner thereof, or to authorize or empower the Bondowners'  
2135 Trustee to vote the claims of the Owners thereof in any receivership, insolvency,  
2136 liquidation, bankruptcy, reorganization or other proceeding to which the county is a  
2137 party.



2138           (d)    Restrictions on Legal Action by Individual Bondowners. No Owner or  
2139 Beneficial Owner of any Bonds has any right to institute any action, suit or proceedings  
2140 at law or in equity for the enforcement of the same unless:

- 2141                   (i)    a Default has happened and is continuing; and
- 2142                   (ii)   a Bondowners' Trustee has been appointed as herein provided, and
- 2143                   (iii)  such owner previously has given to the Bondowners' Trustee  
2144 written notice of the Default as to which such suit, action or proceeding is to be  
2145 instituted; and
- 2146                   (iv)   the Owners of 25% in principal amount of the Bonds then  
2147 Outstanding, after the occurrence of such Default, have made written request of the  
2148 Bondowners' Trustee and have afforded the Bondowners' Trustee a reasonable  
2149 opportunity to institute such suit, action or proceedings; and
- 2150                   (v)    the Bondowners' Trustee has been offered security and indemnity  
2151 satisfactory to it against the costs, expenses and liabilities to be incurred therein or  
2152 thereby; and
- 2153                   (vi)   the Bondowners' Trustee has refused or neglected to comply with  
2154 such request within a reasonable time.

2155           No Owner or Beneficial Owner of any Bond will have any right in any manner  
2156 whatever by his or her action to affect or impair the obligation of the county, which is  
2157 absolute and unconditional, to pay from Revenue of the System or draws on the Credit  
2158 Enhancement or Liquidity Facility the principal of and interest on said Bonds to the  
2159 respective Owners thereof when due.

2160 (e) Waivers of Default; Remedies not Exclusive. The remedies herein  
2161 conferred upon or reserved to the Owners of the Bonds and to a Bondowners' Trustee are  
2162 not intended to be exclusive of any other remedy or remedies, and each and every such  
2163 remedy will be cumulative and will be in addition to every other remedy given hereunder  
2164 or now or hereafter existing at law or in equity or by statute. The privileges herein  
2165 granted may be exercised from time to time and continued so long as and as often as the  
2166 occasion therefor may arise.

2167 The Credit Provider may on behalf of the Owners of all Bonds then Outstanding  
2168 waive any past Default and its consequences, except a default in the payment of the  
2169 principal of, premium, if any, or interest on any of the Bonds. No such waiver will  
2170 extend to or affect any subsequent Default or impair any rights or remedies consequent  
2171 thereon. No delay or omission of the Credit Provider to exercise any right or power  
2172 accruing upon any default will impair any such right or power or be construed to be a  
2173 waiver of any such Default or acquiescence therein.

## 2174 **ARTICLE VII**

### 2175 **APPLICATION OF BOND PROCEEDS**

2176 SECTION 7.1. Construction Account. There has heretofore been created a  
2177 special fund of the county known as the "Second Water Quality Construction Account"  
2178 (the "Construction Account"). For purposes of separately accounting for investment  
2179 earnings on the proceeds of the Bonds to facilitate compliance with the requirements of  
2180 Section 5.3(c) of this ordinance, there is hereby established a special subaccount within  
2181 the Construction Account to be designated as the "Multi-Modal Series 2010B

2182 Construction Subaccount" (the "Construction Subaccount"). The proceeds of the Bonds  
2183 will be deposited into the Construction Subaccount.

2184 Money in the Construction Subaccount will be held and applied to pay costs of  
2185 acquiring, constructing and equipping improvements, additions or betterments to the  
2186 System set forth in the Comprehensive Plan and all costs incidental thereto, including but  
2187 not limited to engineering, architectural, planning, financial, legal, urban design or any  
2188 other incidental costs, including costs of issuing the Bonds, and to repay any advances  
2189 heretofore or hereafter made on account of such costs.

## 2190 **ARTICLE VIII**

### 2191 **REGISTRAR, PAYING AGENT AND TENDER AGENT FUNCTIONS;**

#### 2192 **APPOINTMENT OF REMARKETING AGENT**

##### 2193 **SECTION 8.1. Duties of Registrar.**

2194 (a) Registrar as Initial Paying Agent and Tender Agent. The Registrar will be  
2195 the initial Paying Agent and Tender Agent for the Bonds. The county may at any time  
2196 appoint an additional or successor Paying Agent or Tender Agent. Any appointment of  
2197 an additional or successor Paying Agent or Tender Agent must be made by written  
2198 instrument executed by the Finance Director and will be effective immediately after the  
2199 Registrar has consented to such appointment in writing and such paying agent or tender  
2200 agent has accepted its obligations under this ordinance by delivery of a written instrument  
2201 to that effect to the county and the Registrar.

2202 (b) Fiscal Agency Agreement. The Bank of New York Mellon, in its capacity  
2203 as fiscal agent under the current Fiscal Agency Agreement, will perform the duties of  
2204 Registrar, Paying Agent and Tender Agent hereunder in accordance with the Fiscal

2205 Agency Agreement. Unless the county exercises its right under Section 8.1(c) of this  
2206 ordinance to remove the Registrar, any successor fiscal agent under the Fiscal Agency  
2207 Agreement will serve as Registrar, Paying Agent and Tender Agent under this ordinance.  
2208 Notwithstanding anything to the contrary in the Fiscal Agency Agreement, the fiscal  
2209 agent acting as Registrar, Tender Agent or Paying Agent will not seek any indemnity or  
2210 other security as a condition precedent to drawing on any Liquidity Facility or Credit  
2211 Enhancement, making any payment of principal of, interest on or the Purchase Price for  
2212 any Bonds, or effecting any mandatory purchase or redemption of any Bonds.

2213 (c) Removal of Registrar. The county may remove the Registrar at any time  
2214 at the option of the Finance Director upon prior notice to the Notice Parties and  
2215 appointment by the Finance Director on behalf of the county of a successor Registrar on  
2216 terms and conditions to be set forth in a written agreement between the county and such  
2217 successor Registrar. Any successor Registrar must be a trust company or commercial  
2218 bank with trust powers. No resignation or removal of the Registrar will be effective until  
2219 a successor is appointed and the successor Registrar accepts the duties of the Registrar  
2220 hereunder and, if acting as Tender Agent or Paying Agent, it receives the Credit  
2221 Enhancement and Liquidity Facility, together with all other funds then held by the  
2222 Registrar, Paying Agent and Tender Agent.

2223 **SECTION 8.2. Appointment of Remarketing Agent.**

2224 (a) Initial Remarketing Agent. The county hereby appoints Citigroup Global  
2225 Markets Inc. as initial Remarketing Agent to remarket Bonds pursuant to this ordinance  
2226 and perform the other duties of the Remarketing Agent described hereunder. On behalf  
2227 of the county, the Finance Director is authorized to execute and deliver the Remarketing

2228 Agreement in substantially the form attached as Attachment B to this ordinance, with  
2229 such changes as may be approved by bond counsel to the county. The Remarketing  
2230 Agent will keep such books and records as are consistent with prudent industry practice  
2231 and make such books and records available for inspection by the Notice Parties at all  
2232 reasonable times.

2233 (b) Removal or Resignation of Remarketing Agent. The Remarketing Agent  
2234 may at any time resign and be discharged of the duties and obligations with respect to the  
2235 Bonds created by this ordinance as set forth in the Remarketing Agreement. The  
2236 Remarketing Agent may suspend its remarketing efforts as set forth in the Remarketing  
2237 Agreement. The county council authorizes the Finance Director to remove the  
2238 Remarketing Agent at any time, in accordance with the Remarketing Agreement, when  
2239 the Finance Director, in consultation with the county's financial advisors, determines that  
2240 such removal is necessary or beneficial to the county. Any successor Remarketing Agent  
2241 will be appointed by the Finance Director, must be a member of the Financial Industry  
2242 Regulatory Authority, must have a capitalization of at least \$50,000,000, must be  
2243 authorized by law to perform all the duties set forth in this ordinance and must be  
2244 acceptable to the Credit Provider and Liquidity Provider. The council authorizes and  
2245 directs the Finance Director and all other proper officers, agents, attorneys and employees  
2246 of the county to cooperate with any successor Remarketing Agent in preparing and  
2247 executing such additional agreements, certificates, and other documentation on behalf of  
2248 the county as may be necessary or advisable in providing for replacement of the  
2249 Remarketing Agent.

2250 The delivery to the Registrar of a certificate of the Finance Director setting forth  
2251 the effective date of the appointment of a successor Remarketing Agent and the name of  
2252 such successor will be conclusive evidence that (i) if applicable, the predecessor  
2253 Remarketing Agent has been removed in accordance with the provisions of this ordinance  
2254 and (ii) such successor has been appointed and is qualified to act as Remarketing Agent  
2255 under the terms of this ordinance.

2256 (c) Merger or Consolidation. If the Remarketing Agent consolidates with,  
2257 merges or converts into, or transfers all or substantially all of its assets (or, in the case of  
2258 a bank, national banking association or trust company, its corporate assets) to, another  
2259 corporation, the resulting, surviving or transferee corporation without any further act will  
2260 be the successor Remarketing Agent.

## 2261 ARTICLE IX

### 2262 SALE OF BONDS; OFFICIAL STATEMENT;

#### 2263 CREDIT ENHANCEMENT AND LIQUIDITY FACILITY

2264 SECTION 9.1. Sale of Bonds. The Bonds will be sold by negotiated sale to the  
2265 Underwriter. The Finance Director will determine the aggregate principal amount of the  
2266 Bonds, which may not exceed \$50,000,000, and, in consultation with the county's  
2267 financial advisors, whether the Bonds will be issued as Tax-Exempt Bonds or Tax-  
2268 Benefited Bonds. The Finance Director is hereby authorized to negotiate and execute on  
2269 behalf of the county a bond purchase contract for the sale of the Bonds to the Underwriter  
2270 on terms consistent with this ordinance. The bond purchase contract will be substantially  
2271 in the form attached as Attachment C to this ordinance, with such changes as the Finance  
2272 Director deems reasonable and approved by counsel to the county. The Finance Director

2273 and all other proper officers, agents, attorneys and employees of the county are hereby  
2274 authorized and directed to do everything necessary for the prompt execution and delivery  
2275 of the Bonds to the Underwriter and for the proper application and use of the proceeds of  
2276 sale thereof, all in accordance with the bond purchase contract and this ordinance.

2277         SECTION 9.2. Official Statement. The county hereby authorizes and directs the  
2278 Finance Director to review and approve the information contained in the official  
2279 statement for the Bonds and hereby authorizes the Underwriter's distribution of the  
2280 official statement in connection with the sale of the Bonds.

2281         SECTION 9.3. Credit Enhancement and Liquidity Facility.

2282         (a)     Approval of Liquidity Facility. The county hereby accepts the offer from  
2283 State Street Bank to provide a standby bond purchase agreement as the initial Liquidity  
2284 Facility for the Bonds. The Finance Director and all other proper officers, agents,  
2285 attorneys and employees of the county are hereby authorized and directed to cooperate  
2286 with State Street Bank in preparing the Liquidity Facility and such additional agreements,  
2287 certificates, and other documentation on behalf of the county as may be necessary or  
2288 advisable in providing for delivery of the Liquidity Facility. The Finance Director is  
2289 hereby authorized to execute and deliver the Liquidity Facility in substantially the form  
2290 attached as Attachment D to this ordinance, with such changes as the Finance Director  
2291 deems reasonable and approved by counsel to the county.

2292         (b)     Extensions of Expiration Date or Alternate Credit Enhancements or  
2293 Alternate Liquidity Facilities. The county council authorizes the Finance Director, in  
2294 consultation with the county's financial advisors, to obtain a Credit Enhancement for the  
2295 Bonds if at any time that appears necessary or desirable. In that event, the Finance

2296 Director and all other proper officers, agents, attorneys and employees of the county are  
2297 hereby authorized and directed to cooperate with the proposed Credit Provider to prepare  
2298 the Reimbursement Agreement or Credit Enhancement, as applicable, and such additional  
2299 agreements, certificates, and other documentation on behalf of the county as may be  
2300 necessary or advisable in providing for delivery of the Credit Enhancement.

2301 As long as the Bonds remain outstanding, the county council authorizes the  
2302 Finance Director to obtain one or more extensions of the Expiration Date of any Credit  
2303 Enhancement or Liquidity Facility or to obtain an Alternate Credit Enhancement or  
2304 Alternate Liquidity Facility at any time and from time to time when the Finance Director,  
2305 in consultation with the county's financial advisors, determines that any such extension or  
2306 substitution is necessary or beneficial to the county. The council authorizes and directs  
2307 the Finance Director and all other proper officers, agents, attorneys and employees of the  
2308 county to cooperate with the Credit Provider, the Liquidity Provider, or the providers of  
2309 any Alternate Credit Enhancement or Alternate Liquidity Facility in preparing and  
2310 executing such additional agreements, certificates, and other documentation on behalf of  
2311 the county as may be necessary or advisable in providing for any such extension or  
2312 substitution.

## 2313 ARTICLE X

### 2314 AMENDMENTS

2315 SECTION 10.1. Amendments without Owners' Consent. This ordinance may  
2316 be amended or supplemented from time to time, without the consent of the Owners by a  
2317 supplemental ordinance passed by the county council for one or more of the following  
2318 purposes:



2319 (a) to add additional covenants of the county or to surrender any right or  
2320 power herein conferred upon the county; or

2321 (b) to cure any ambiguity or to cure, correct or supplement any defective  
2322 (whether because of any inconsistency with any other provision hereof or otherwise)  
2323 provision of this ordinance or to make any other provisions with respect to matters or  
2324 questions arising under this ordinance, provided such action may not impair the security  
2325 hereof or adversely affect the interests of the Owners; or

2326 (c) to provide or modify procedures permitting Owners to utilize a certificated  
2327 system of registration for Bonds; or

2328 (d) to modify, alter, amend, supplement or restate this ordinance in any and all  
2329 respects necessary, desirable or appropriate in connection with the delivery of an  
2330 Alternate Credit Enhancement or Alternate Liquidity Facility (other than modifying  
2331 notice provisions to Owners of the Bonds); or

2332 (e) to modify, alter, amend, supplement or restate this ordinance in any and all  
2333 respects necessary, desirable or appropriate to satisfy the requirements of any Rating  
2334 Agency to obtain or retain a rating on the Bonds as the county deems necessary, provided  
2335 that such action may not impair the security hereof or materially adversely affect the  
2336 interests of the Owners; or

2337 (f) for any purpose, (i) on any Mandatory Purchase Date and (ii) at any time  
2338 during the Daily Mode or the Weekly Mode, provided that notice of such amendment is  
2339 given by first class mail to each Owner of Bonds at least 30 days prior to the effective  
2340 date of such amendment.



2363 effect such conversions, and (b) execute a continuing disclosure undertaking on behalf of  
2364 the county when necessary to comply with the Rule.

2365 SECTION 11.2. Acts of Owners. Any action to be taken by Owners may be  
2366 evidenced by one or more concurrent written instruments of similar tenor signed or  
2367 executed by such Owners in person or by an agent appointed in writing. The fact and  
2368 date of the execution by any Person of any such instrument may be proved by  
2369 acknowledgment before a notary public or other officer empowered to take  
2370 acknowledgments or by an affidavit of a witness to such execution or by any other  
2371 method satisfactory to the Registrar. Any action by the Owner of any Bond will bind all  
2372 future Owners of the same Bond or of any Bond issued upon the exchange or registration  
2373 of transfer thereof in respect of anything done or suffered by the county or the Registrar  
2374 in pursuance thereof.

2375 SECTION 11.3. Notices to Notice Parties. Except as otherwise specifically  
2376 provided for in this ordinance, all notices required by the terms hereof to be given to the  
2377 Registrar, the county or the Owners of the Bonds will be deemed given, if given in  
2378 writing and mailed by first-class mail, postage prepaid, and

2379 (a) if to the Registrar, Tender Agent or Paying Agent, addressed to The Bank  
2380 of New York Mellon, at 101 Barclay Street, 7W, New York, NY 10286, Attention:  
2381 Corporate Trust Registrar Administration;

2382 (b) if to the county, addressed to King County, Office of the Director, Finance  
2383 and Business Operations Division, at 500 Fourth Avenue, Room 600, Seattle, WA 98104,  
2384 Attention: Treasury Services;

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

2387 (d) if to the Liquidity Provider, addressed to it at the address set forth in the  
2388 Reimbursement Agreement;

2389 (e) if to the Remarketing Agent, addressed to it at the address set forth in the  
2390 Remarketing Agreement; and

2391 (f) if to any owner of a Bond, addressed to such owner at the address set forth  
2392 in the Bond Register; or, as to the county or the Registrar, as any of them will from time  
2393 to time designate by notice in writing to the others.

2394 SECTION 11.4. Notice to Rating Agencies. At such time as (i) there is a  
2395 change in the Registrar, Tender Agent, Paying Agent, Remarketing Agent, Credit  
2396 Provider, or Liquidity Provider, or any successors thereto, (ii) any amendment is made to  
2397 this ordinance, a Credit Enhancement or a Liquidity Facility, (iii) a Credit Enhancement  
2398 or Liquidity Facility expires or terminates or is extended or replaced, (iv) the county  
2399 issues additional Multi-Modal LTGO/Sewer Revenue Bonds, or (v) whenever there is (A)  
2400 a conversion of the Bonds from one Interest Rate Mode to another, (B) a redemption or  
2401 defeasance of the Bonds, (C) a mandatory tender for purchase of the Bonds in the event  
2402 of nonreinstatement of interest after an interest drawing on the Credit Enhancement or  
2403 Liquidity Facility, (D) the occurrence of an event of default under a Liquidity Facility, or  
2404 (E) an acceleration of the county's obligations under a Liquidity Facility, the county will  
2405 give written notice of the same to Moody's at 7 World Trade Center, 250 Greenwich  
2406 Street, New York, NY 10007, Attention: Public Finance Group - Full Support Group;  
2407 and to S&P, 55 Water Street, New York, NY 10041, Attention: Municipal Structured

2408 Finance Group. In addition, copies of all notices required to be given under this  
2409 ordinance will likewise be given to the Rating Agencies at the addresses set forth in the  
2410 preceding sentence, and the county will provide to any Rating Agency any other  
2411 information reasonably requested by the Rating Agency to maintain the ratings of the  
2412 Bonds.

2413 SECTION 11.5. Legal Investments. The county reserves the right to purchase  
2414 Bonds at any time as a legal investment for funds of the county including but not limited  
2415 to funds held by the county for the investment pool established pursuant to K.C.C.  
2416 Chapter 4.10.

2417 SECTION 11.6. Severability. In case any one or more of the provisions of this  
2418 ordinance or of the Bonds is, for any reason, held to be illegal or invalid, such illegality  
2419 or invalidity will not affect any other provisions of this ordinance or of such Bonds, and  
2420 this ordinance and the Bonds will be construed and enforced to the end that the  
2421 transactions contemplated hereby be effected and the obligations contemplated hereby be  
2422 enforced as if such illegal or invalid provisions had not been contained therein.

2423 SECTION 11.7. Effective Date. This ordinance will be effective 10 days after  
2424 its enactment, in accordance with Article II of the county charter."

2425 Replace Attachment A, Form of Bonds, with Attachment A, Form of 2010B Bonds

2426 Replace Attachment B, Remarketing Agreement, with Attachment B, 2010B

2427 Remarketing Agreement

2428 Replace Attachment C, Bond Purchase Contract, with Attachment C, 2010B Bond

2429 Purchase Contract



ATTACHMENT A  
FORM OF 2010B BONDS

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

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

UNITED STATES OF AMERICA

KING COUNTY

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

MATURITY DATE:

ISSUE DATE:

CUSIP:

REGISTERED OWNER: CEDE & 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 2010B (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 2010A, in the aggregate principal amount of \$50,000,000 (the "Series 2010A 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 2010A 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 2010B, 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

CITIGROUP GLOBAL MARKETS INC.

Dated [\_\_\_\_]

Relating to

KING COUNTY, WASHINGTON

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

**REMARKETING AGREEMENT**

This REMARKETING AGREEMENT, dated [\_\_\_\_\_] (this “Agreement”), between KING COUNTY, WASHINGTON (the “County”) and CITIGROUP GLOBAL MARKETS INC. (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 2010B (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 Citigroup Global Markets Inc., 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, Citigroup Global Markets Inc. 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 Citigroup Global Markets Inc. as exclusive Remarketing Agent for the Bonds, and Citigroup Global Markets Inc. hereby accepts such appointment.

**Section 3. Responsibilities of Remarketing Agent.** Subject to the terms and conditions set forth in this Agreement, Citigroup Global Markets Inc. 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:

Citigroup Global Markets Inc.  
390 Greenwich Street, 5th Floor  
New York, New York 10013  
Attention: Short Term Trading  
Telephone: (212) 723-7082  
Telecopy: (212) 723-8809  
Email: [ ]

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

CITIGROUP GLOBAL MARKETS INC.

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

By: \_\_\_\_\_  
Jerry L. Bobo, Director





FP DRAFT 12/10/09

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

BOND PURCHASE CONTRACT

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

King County, Washington

Ladies and Gentlemen:

Citigroup Global Markets Inc. (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 2010B (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 Citigroup Global Markets Inc. 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 Citigroup Global Markets Inc., 601 Union Street, Suite 5130, Seattle, Washington 98101; Attention: Jerry Bobo.

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,

CITIGROUP GLOBAL MARKETS INC.

By: \_\_\_\_\_  
Jerry L. Bobo, Director

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 2010B, 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

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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 2010B (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]