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W&S Draft
10/12/09

ATTACHMENT D

FORM OF LIQUIDITY FACILITY

STANDBY BOND PURCHASE AGREEMENT

among

KING COUNTY, WASHINGTON,

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

and

STATE STREET BANK AND TRUST COMPANY, as Bank

dated as of December 1, 2009

relating to:

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

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LIST OF EXHIBITS:

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

STANDBY BOND PURCHASE AGREEMENT

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

WITNESSETH:

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

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

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

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

ARTICLE I DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"State" means the State of Washington.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II

THE COMMITMENT; FEES

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

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

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

So long as the Bonds are issued in book-entry form and held by the Tender Agent as custodian of the Depository as part of the Depository's fast automated transfer program ("FAST Eligible Bonds"), concurrently with the Tender Agent's receipt of the Purchase Price for each purchase of Bonds by the Bank hereunder, the Tender Agent, as a participant of the Depository (or any other successor securities depository) or an eligible transfer agent, shall make a direct registration electronic book-entry (A) crediting the Depository account designated by the Bank as its account in which to hold Liquidity Provider Bonds purchased by it (each, the "Bank Book-Entry Account") by the principal amount of the Bonds purchased hereunder by the Bank using the Liquidity Provider Bond CUSIP number for such Bonds set forth below; and (B) debiting the book-entry account of the Depository for the Bonds (thereby reducing the principal balance of the global certificate representing the Bonds) (the "DTC Book-Entry Account") by the principal amount of the Bonds purchased hereunder by the Bank. The CUSIP number for the Series 2009A Bonds that are Liquidity Provider Bonds is _____ and the CUSIP number for the Series 2009B Bonds that are Liquidity Provider Bonds is _____. So long as the Bonds are FAST Eligible Bonds, upon a remarketing of Liquidity Provider Bonds in accordance with the terms of this Agreement and the Tender Agent's receipt from the Remarketing Agent and/or the County of the amounts set forth in Section 2.04(b) or a retention of Liquidity Provider Bonds by the Bank as provided in Section 2.04(c), the Tender Agent, as a participant of the Depository (or any other successor securities depository) or an eligible transfer agent, shall make a direct registration electronic book-entry in its records (A) debiting the Bank Book-Entry Account of the Bank by the principal amount of the Bonds so remarketed or retained; and (B) crediting the DTC Book-Entry Account for such Bonds (thereby increasing the principal balance of the global certificate representing such Bonds) by the principal amount of the Bonds so remarketed or retained. The Tender Agent acknowledges that it is familiar with the procedures and requirements set forth in a notice from The Depository Trust Company, dated April 4, 2008, respecting "Variable Rate Demand Obligations ("VRDO") Failed Remarketings and Issuance of Bank Bonds", as amended by DTC Notice number B3488-08, dated May 15, 2008, and agrees that, with respect to any and all Liquidity Provider Bonds, it will follow the procedures and requirements set forth in such notice, as the same may be amended from time to time. To the extent that, following any amendment of such notice, the procedures and requirements therein should become inconsistent with any aspect of the preceding provisions, the Tender Agent, the County and the Bank shall promptly negotiate in good faith and agree upon amendments of the preceding provisions so as to eliminate such inconsistency.

If the Bonds are no longer FAST Eligible Bonds, concurrently with the receipt of the Purchase Price for each purchase of Bonds by the Bank hereunder, the Tender Agent shall cause each Liquidity Provider Bond to be registered in the name of the Bank and shall be held by the Tender Agent as the agent, bailee and custodian (in such capacity, the "Custodian") of the Bank for the exclusive benefit of the Bank. The Custodian acknowledges and agrees that it is acting and will act with respect to Liquidity Provider Bonds at the direction of the Bank for the exclusive benefit of the Bank and is not and shall not at any time be subject in any manner or to any extent to the direction or control of the County or any other Person with respect to the Liquidity Provider Bonds. The Custodian agrees to act in strict accordance with this Agreement and in accordance with any lawful written instructions delivered to the Custodian from time to time pursuant hereto by the Bank. The Custodian shall not be obligated to incur liabilities without being indemnified against the same to its reasonable satisfaction. Under no circumstances shall the Custodian deliver possession of the Bonds to, or cause Bonds to be registered in the name of, the County, the Remarketing Agent or any Person other than the Bank except in accordance with the express terms of this Agreement or otherwise upon the written instructions of the Bank. If, while this Agreement is in effect, the Custodian shall become entitled to receive or shall receive any payment in respect of any Liquidity Provider Bonds held for the Bank, the Custodian agrees to accept the same as the Bank's agent and to hold the same in trust on behalf of the Bank and to deliver the same forthwith to the Bank's Payment Office. Upon the remarketing of any Liquidity Provider Bonds and the Tender Agent's receipt from the Remarketing Agent and/or the County of the amounts set forth in Section 2.04(b) or a retention of Liquidity Provider Bonds by the Bank as provided in Section 2.04(c), the Custodian shall release Liquidity Provider Bonds in a principal amount equal to the principal amount so remarketed or retained to the Remarketing Agent, the County or the Bank, as the case may be, in accordance with the terms of the Ordinances. The Custodian may rely and shall be protected in acting upon any document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Custodian shall not be liable for any error in judgment made in good faith by its responsible officers, employees and agents unless the Custodian, its responsible officers, employees or agents were negligent or engaged in willful misconduct. Anything herein to the contrary notwithstanding, the Custodian shall have no liability hereunder for any act or omission except as shall result from its gross negligence or willful misconduct. Except as provided above, without the prior written consent of the Bank, the Custodian agrees that it will not sell, assign, transfer, exchange or otherwise dispose of, or grant any option with respect to, Liquidity Provider Bonds, and will not create, incur or permit to exist any pledge, lien, mortgage, hypothecation, security interest, charge, option or any other encumbrance or take any other action with respect to the Liquidity Provider Bonds, or any interest therein, or any proceeds thereof. The Custodian shall deliver to the Bank at the Bank's request such information as may be in the possession of the Custodian with respect to such Liquidity Provider Bonds. If the Custodian is holding Liquidity Provider Bonds, the Custodian, at its own expense, shall maintain and keep in full force and effect insurance coverages that are customary for banks or other financial institutions acting as custodians.

Section 2.03 Reduction of Commitment.

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

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

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

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

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

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

Section 2.04 Sale of Liquidity Provider Bonds.

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

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

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

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

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

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

Section 2.05 Fees.

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

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

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

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

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

Section 2.06 Compensation for Increased Costs.

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

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

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

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

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

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

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

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

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

Section 2.07 Net of Taxes.

(a) Taxes. Any and all payments to the Bank by the County hereunder shall be made free and clear of and without deduction for any and all taxes, levies, imposts, deductions, charges, withholdings or liabilities imposed thereon, excluding, however, taxes imposed on or measured by the net income or capital of the Bank by any jurisdiction or any political subdivision or taxing authority thereof or therein solely as a result of a connection between the Bank and such jurisdiction or political subdivision (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If the County shall be required by law to withhold or deduct any Taxes imposed by the United States or any political subdivision thereof from or in respect of any sum payable hereunder to the Bank (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.07), the Bank receives an amount equal to the sum it would have received had no such deductions been made, (ii) the County shall make such deductions and (iii) the County shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If the County shall make any payment under this Section 2.07 to or for the benefit of the Bank with respect to Taxes and if the Bank shall claim any credit or deduction for such Taxes against any other taxes payable by the Bank to any taxing jurisdiction in the United States, then the Bank shall pay to the County an amount equal to the amount by which such other taxes are actually reduced; *provided* that the aggregate amount payable by the Bank pursuant to this sentence shall not exceed the aggregate amount previously paid by the County with respect to such Taxes. In addition, the County agrees to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America or any political subdivision thereof from any payment made hereunder or from the execution or delivery or otherwise with respect to this Agreement (hereinafter referred to as "Other Taxes"). The Bank shall provide to the County within a reasonable time a copy of any written notification it receives with respect to Other Taxes owing by the County to the Bank hereunder; *provided* that the Bank's failure to send such notice shall not relieve the County of its obligations to pay such amounts hereunder.

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

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

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

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

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

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

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

ARTICLE III

INTEREST RATES; PAYMENTS

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

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

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

(b) Default Rate. If the principal amount of any Liquidity Provider Bond, or any other obligation of the County under this Agreement or the Liquidity Provider Bonds (including, to the extent permitted by law, any interest payment required thereunder) is not paid

when due (whether by acceleration, redemption or otherwise), such overdue principal payment or other obligation shall bear interest from the date such principal amount or other obligation, as the case may be, was due until paid in full (after as well as before judgment) at the Default Rate, such interest to be payable on demand. If at any time an Event of Termination has occurred and is continuing, the principal amount of any Liquidity Provider Bond, or any other obligation of the County under this Agreement or the Liquidity Provider Bonds (including, to the extent permitted by law, any interest payment required thereunder) shall bear interest from the date such principal amount or other obligation, as the case may be, was due until paid in full (after as well as before judgment) at the Default Rate, such interest to be payable on demand.

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

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

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

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

Section 3.04 Computations; Payments.

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

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

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

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE COUNTY

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

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

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

(c) Binding Effect; Security.

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

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

(ii) The Ordinances create, for the benefit of the holders of Bonds and the Bank, (A) a legally valid, binding and irrevocable pledge of the full faith, credit and resources of the County which have been irrevocably pledged pursuant to the Ordinances for the annual levy and collection of an ad valorem tax permitted to counties without a vote of the people upon all the property within the County subject to taxation in an amount that will be sufficient, together with all other revenues and money of the County legally available for such purpose, to make the payments into the Multi-Modal LTGO/Sewer Revenue Bond Fund required by the Ordinances as the same become due, and (B) a legally valid, binding and irrevocable pledge of and statutory Lien on the Revenue of the System and other moneys and securities held or set aside or to be set aside and held in the Multi-Modal LTGO/Sewer Revenue Bond Fund. Such pledge extends to the payment of interest on the Liquidity Provider Bonds at the Bank Rate. The payment of principal of and interest on Liquidity Provider Bonds ranks on a parity with the payment of principal of and interest on Multi-Modal LTGO/Sewer Revenue Bonds issued under the Ordinances. No filing, registering or publication of the Ordinances or any other instrument (other than any filing, registration or publication made by the County prior to the Closing Date) is required to establish such pledge or to perfect, protect or maintain such Lien.

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

(e) Financial Information.

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

(ii) Except as described in writing to the Bank, since December 31, 2008 there has been no material adverse change in the financial position, results of operations or prospects of the County. Since December 31, 2008, no transaction or event shall have occurred and no change shall have occurred in the condition (financial or otherwise) or operations of the County which materially adversely affects the issuance of any of the Bonds, the pledge of the full faith, credit and resources of the County for the payment of the Bonds (including Liquidity Provider Bonds), the Revenue of the System, or the ability of the County to repay when due its obligations under this Agreement, any of the Bonds, the Ordinances and the other Related Documents.

(f) Litigation. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, arbitrator, governmental agency or authority, or other board, body or official, pending or, to the best knowledge of the County, threatened against or affecting the County, questioning the validity of the Ordinances or any proceeding taken or to be

taken by the County in connection with the execution, delivery and performance by the County of the Related Documents or this Agreement, or seeking to prohibit, restrain or enjoin the execution, delivery or performance by the County of any of the foregoing, nor, to the best knowledge of the County, is there any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect (i) the validity of the Ordinances or the other Related Documents, (ii) the validity or enforceability of, or the authority or ability of the County to perform its obligations under, the Ordinances, the other Related Documents or this Agreement, (iii) the ability of the County to conduct its activities as presently conducted or as proposed or contemplated to be conducted under the terms of this Agreement, the Ordinances and the other Related Documents, or (iv) the exemption of interest on any bond or note of the County from Federal income taxes.

(g) No Sovereign Immunity. The defense of sovereign immunity is not available to the County in any proceeding by the Bank to enforce any of the obligations of the County under this Agreement or the Bonds (including Liquidity Provider Bonds).

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

(i) No Governmental Fees. Neither the execution, delivery nor performance by the Bank of this Agreement or any of the other Related Documents will give rise to any tax, including without limitation any stamp tax, or any fee of any State agency or government body in or of the State or under federal laws or regulations.

(j) No Default. The County is not in breach of or default under the Ordinances, or in breach of or default under any law or regulation of the State or of the United States or any judgment, decree, agreement or other instrument to which the County is a party, except where such breach or default, so far as the County can foresee, will not materially adversely affect, the operations, condition (financial or otherwise) or affairs of the County. No Potential Termination Event or Event of Termination has occurred or is continuing. The County is not in default in the payment of any Indebtedness.

(k) Official Statement. The Official Statement, copies of which have heretofore been delivered to the Bank, and any amendments or supplements thereto prepared prior to the Closing Date (a true copy of which shall be furnished to the Bank prior to the distribution thereof) do not, and in the case of any amendments or supplements prepared subsequent to the Closing Date (a true copy of which shall be furnished to the Bank prior to the distribution thereof) will not, as of their respective dates, contain any untrue statement of a material fact and do not and will not omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except no representation is made as to information with respect to the book entry system with respect to the Bonds or the Bank included therein.

(l) Disclosure. All documents and certificates provided to the Bank by or on behalf of the County in connection with the transactions contemplated by the Related Documents are true and correct as of the date hereof and were provided in expectation of the Bank's reliance thereon in executing this Agreement. There are no facts that the County has failed to disclose to the Bank that, individually or in the aggregate, materially adversely affect or, so far as the County can foresee, will materially adversely affect, the operations, condition (financial or otherwise) or affairs of the County.

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

(n) No Usury. The terms of this Agreement regarding the calculation and payment of interest and fees do not contravene any applicable usury laws.

(o) Pending Legislation. The County knows of no legislation pending that could, if enacted, affect the validity or enforceability of this Agreement or the Related Documents, or the ability of the County to perform its obligations hereunder or under the Related Documents. No legislation has been enacted which in any way materially adversely affects the issuance or delivery of the Bonds or the execution, delivery or performance of this Agreement or the Related Documents or the creation, organization or existence of the County or the titles to office of any officers thereof, or the power of the County to carry out its obligations under this Agreement or the Related Documents or the ability of the County to perform its obligations hereunder or under the Related Documents.

(p) Incorporation of Representations and Warranties by Reference. The County hereby makes to the Bank the same representations and warranties as are set forth in the Related Documents, which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated by reference with the same effect as if each and every such representation and warranty and defined term were set forth herein in its entirety. No amendment to such representations and warranties or defined terms made pursuant to the Related Documents shall be effective to amend such representations and warranties and defined terms as incorporated by reference herein without the written consent of the Bank.

ARTICLE V

COVENANTS OF THE COUNTY

Section 5.01 Covenants of the County. During the term of this Agreement, and until the obligations of the County to the Bank hereunder are paid in full including full payment of the Liquidity Provider Bonds, and the Bank has no further commitment hereunder, unless the Bank shall otherwise consent in writing, the County covenants and agrees as follows:

(a) Information. The County will deliver to the Bank:

(i) as soon as practicable and, in any event, within 210 days after the end of each fiscal year of the County, financial statements consisting of a balance sheet of the

general fund of the County as of the end of such fiscal year, a statement of revenues, expenditures and changes in fund balance of the general fund of the County for such fiscal year, and a combined statement of government operating revenues, expenditures, and changes in fund balances of the County's general government funds, together with schedules of property tax assessments and of the Revenues of the System, in each case, setting forth in comparative form the corresponding figures (if any) for the preceding fiscal year, all in reasonable detail and accompanied by (i) an audit report of the state auditor stating that they have (except as noted herein) been prepared in accordance with GAAP, and (ii) a certificate from an authorized financial officer of the County stating that no Potential Termination Event or Event of Termination has come to his or her attention which was continuing at the end of such fiscal year or on the date of his or her certificate, indicating the nature of such Potential Termination Event or Event of Termination and the action which the County proposes to take with respect thereto;

(ii) if not provided together with the financial statements described in clause (i) above, as soon as available and in any event within 270 days after the end of each fiscal year of the County, an audit report of the County prepared by the state auditor and accompanied by financial statements of the type described in clause (i) above, stating that such financial statements have (except as noted therein) been prepared in accordance with GAAP, and accompanied by a certificate from an authorized financial officer of the County stating that no Potential Termination Event or Event of Termination has come to his or her attention which was continuing at the end of such fiscal year or on the date of his or her certificate, indicating the nature of such Potential Termination Event or Event of Termination and the action which the County proposes to take with respect thereto, and (B) simultaneously with the furnishing thereof to the Tender Agent, each audit report required to be delivered to the Tender Agent pursuant to Section 5.2(c) of the Ordinances;

(iii) as soon as available after the end of each of the first three fiscal quarters of each fiscal year of the County, (A) the unaudited financial information of the County for such quarter for the Sewer System, in the form customarily prepared by the County, and (B) the unaudited financial information of the County for such quarter for the general fund of the County, in the form customarily prepared by the County, accompanied by a certificate from an authorized financial officer of the County stating that no Potential Termination Event or Event of Termination has come to his or her attention which was continuing at the end of such fiscal year or on the date of his or her certificate, indicating the nature of such Potential Termination Event or Event of Termination and the action which the County proposes to take with respect thereto;

(iv) immediately after the County shall have obtained knowledge of the occurrence of an Event of Termination or Potential Termination Event, the written statement of an authorized officer of the County setting forth the details of each such Event of Termination or Potential Termination Event and the action which the County proposes to take with respect thereto;

(v) promptly, but, in any event, within five days after receipt by the County of notification thereof, notice of any change, suspension or termination in the ratings on the

Bonds or the County's Parity Indebtedness by either Moody's or S&P forthwith upon the occurrence thereof;

(vi) promptly, notice of the failure of the County to make a payment under any other Indebtedness senior to or on a parity with the Bonds;

(vii) promptly (A) notice of the failure by the Remarketing Agent, the Tender Agent or the Registrar to perform any of their respective obligations under the Related Documents to which such entity is a party, and (B) notice of any proposed substitution of this Agreement;

(viii) promptly upon receipt of the written request therefor from the Bank, copies of all management letters of substance and other reports of substance that are submitted to the County by its independent accountants in connection with any annual or interim audit of the books of the County made by such accountants;

(ix) promptly, after the filing thereof, any material event notices or other filing required to be filed pursuant to Securities and Exchange Commission Rule 15c2-12 relating to an adverse (including preliminary) determination as to the tax-exempt status of the Bonds or other events affecting the tax-exempt status of the Bonds as required by the provisions of said Rule, if any;

(x) promptly, notice of any redemption, repayment or other payment or conversion to a Long-Term Mode of any or all of the Bonds;

(xi) promptly, notice of any action, suit or proceeding known to it at law or in equity or by or before any governmental instrumentality or other agency which, if adversely determined, would materially impair the ability of the County to carry out its obligations under the Act, this Agreement, the Related Documents or any other document, instrument or agreement required hereunder or thereunder, or would materially and adversely affect its assets or financial condition;

(xii) promptly, notice of any proposed amendments to Related Documents and copies of all actual amendments thereto; and

(xiii) from time to time such additional information regarding the financial position, results of operations or prospects of the County as the Bank may reasonably request.

(b) No Amendment Without Consent of the Bank. Without the prior written consent of the Bank, the County will not agree or consent to any amendment, supplement or modification of any Related Document, nor waive any provision thereof.

(c) Maintenance of Remarketing Agent. The County will at all times have a Remarketing Agent with respect to the Bonds performing the duties thereof contemplated by the Ordinances. Upon the reasonable request of the Bank, the County will use its best efforts to replace the Remarketing Agent if such entity shall fail to perform its obligations under the Remarketing Agreement.

(d) Registrar, Tender Agent and Remarketing Agent. The County shall not appoint any Person to perform the duties of the Registrar, the Tender Agent or the Remarketing Agent without the consent of the Bank, which consent shall not be unreasonably withheld, conditioned or delayed; *provided, however,* that the Bank's consent is not required for any successor state fiscal agency to assume the duties of Registrar and Tender Agent hereunder. The Bank hereby consents to the state fiscal agency of the State of Washington, currently The Bank of New York Mellon, acting as the Registrar and Tender Agent, and consents to Goldman, Sachs & Co. acting as the Remarketing Agent for the Series 2009A Bonds and Citigroup Global Markets Inc. acting as the Remarketing Agent for the Series 2009B Bonds. The County shall not enter into any successor Remarketing Agreement without the consent of the Bank, which consent shall not be unreasonably withheld, conditioned or delayed. Each Remarketing Agreement shall provide in its terms that (i) no Remarketing Agent may resign until the earlier of (A) the 30th day following prior written notice of such resignation by the then Remarketing Agent to the Bank, or (B) appointment of a successor Remarketing Agent (approved by the Bank as provided above) and such successor Remarketing Agent has accepted and assumed such position, and (ii) if a successor Remarketing Agent shall not have been appointed within such 30-day period, the Remarketing Agent's resignation and discharge from its duties and obligations under the Remarketing Agreement will not be effective until the earlier to occur of (A) the 30th day following the end of such 30th day period, or (B) appointment of a successor Remarketing Agent (approved by the Bank as provided above) and such successor Remarketing Agent has accepted and assumed such position.

(e) Incorporation of Covenants by Reference. (i) The County agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in the Ordinances, including, without limitation, Sections 4.1, 4.2 and 4.3 of the Ordinances, and the other Related Documents, which provisions, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety. To the extent that (a) any such incorporated provision permits any Person to waive compliance with or consent to such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to any Person and (b) any such waiver or consent or acceptance of a document, opinion or other instrument would adversely affect the interests of the Bank, for purposes of this Agreement, such provision shall be complied with only if it is waived or consented to in writing by the Bank and such document, opinion or other instrument shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Bank. Without the written consent of the Bank, no amendment to such covenants and agreements or defined terms made pursuant to any certificate or any other Related Document shall be effective to amend such covenants and agreements and defined terms as incorporated by reference herein.

(ii) In the event that the County shall, directly or indirectly, enter into or otherwise consent to any amendment, supplement or other modification of any other credit agreement, bond purchase agreement, reimbursement agreement or other agreement or instrument under which, directly or indirectly, any Person or Persons undertake to make or provide funds to make payment of, or to purchase. Parity Indebtedness which includes financial covenants more restrictive than those included in this Agreement, whether now in effect or entered into by the County after the date hereof, such financial covenants, as well as related defined terms contained in such sources, respectively, are hereby incorporated by reference (all

of the foregoing are collectively referred to herein as the "Incorporated Provisions") in this Section 5.01(e)(ii) for the benefit of the Bank with the same effect as if each and every such Incorporated Provision were set forth in this Section 5.01(e)(ii) in its entirety. The County will perform and comply with each and every Incorporated Provision incorporated herein. The County further covenants to promptly execute and deliver at its expense an amendment to this Agreement in form and substance satisfactory to the Bank evidencing the amendment of this Agreement to include such Incorporated Provisions, *provided* that the execution and delivery of such amendment shall not be a precondition to the effectiveness of such amendment as provided for in this Section 5.01(e)(ii), but shall merely be for the convenience of the parties hereto. To the extent that any such Incorporated Provision (A) permits any Person or Persons to waive compliance with such provision or (B) requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to any Person or Persons, for purposes of this Agreement, such Incorporated Provision shall be complied with hereunder only if (x) it is waived by the Bank or (y) such document, opinion or other instrument and such event or condition shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Bank, which acceptance or satisfaction shall not be unreasonably withheld or delayed. No amendment to such Incorporated Provisions made pursuant to any of the Related Documents or otherwise shall be effective to amend such Incorporated Provision without the prior written consent of the Bank and such Incorporated Provision shall remain in full force, except to the extent modified, amended or waived by the Bank, whether or not the respective document containing such Incorporated Provision remains in effect, whether or not the original beneficiary of such Incorporated Provisions continues to be a creditor of the County or whether such original beneficiary has otherwise lost its rights to enforce such Incorporated Provisions.

(f) Liquidity.

(i) The County agrees to use its best efforts to obtain a Substitute Liquidity Facility to replace or otherwise amend this Agreement in the event (w) the Bank shall decide not to extend the Stated Expiration Date (such replacement to occur on or before the Stated Expiration Date), (x) there shall have occurred a Mandatory Purchase Date (other than solely as a result of a conversion to/from a Daily Mode or a Weekly Mode to/from a Daily Mode or a Weekly Mode) of any Bonds under the Ordinances, (y) the Bank shall furnish a Notice of Termination pursuant to Section 7.02(b) to the Tender Agent, or (z) the County fails to timely request the extension of the Stated Expiration Date of this Agreement in accordance with the provisions of Section 8.05 hereof unless, in each event, the County has provided funds (which may be remarketing proceeds) for the purchase of all Liquidity Provider Bonds at par plus accrued interest through the purchase date and notifies the Bank in writing of its decision not to provide a Substitute Liquidity Facility.

(ii) The County agrees that any Substitute Liquidity Facility will require, as a condition to the effectiveness of that Substitute Liquidity Facility, that the issuer of the Substitute Liquidity Facility or the County provide funds (which may be remarketing proceeds) on the Substitution Date, for the purchase of all related Liquidity Provider Bonds at par plus accrued interest (at the Bank Rate) through the Substitution Date. On the Substitution Date or on any date the County provides the funds required by clause (i) of this paragraph if no Substitute Liquidity Facility is to be provided, the County shall pay in full all other related

amounts due hereunder (including, without limitation, any Differential Interest Amount, all Deferred Interest, the entire unpaid Deferred Interest Fee Amount and unpaid interest thereon).

(g) Tax Status of the Bonds. The County shall not take any action or omit to take any action which, if taken or omitted, would adversely affect the exemption of interest on any tax-exempt bond or note of the County, including the Bonds, from Federal income taxes.

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

(i) Maintenance of Books and Records. The County will keep proper books of record and account in which full, true and correct entries in accordance with GAAP will be made of all dealings or transactions in relation to its business and activities.

(j) Access to Officers, Employees or Agents. The County will permit its officers, employees and agents to discuss with the Bank matters pertinent to an evaluation of the credit of the County, all at such reasonable times as the Bank may reasonably request.

(k) Restriction on Use of Proceeds. The County will not apply the proceeds of amounts advanced hereunder for any purpose other than the payment of the Purchase Price of unremarketed Bonds as more fully described in this Agreement.

(l) Inspection of Records. At any reasonable time and upon reasonable notice from time to time, and at the expense of the County upon and during the continuance of an Event of Termination, the County shall permit the Bank or any agents or representatives thereof designated in writing (i) to visit and inspect any of the properties of the County, and to discuss the affairs, finances and accounts of the County with, and to be advised as to the same by, the principal officers and employees of the County and its independent public accountants, all at such reasonable times during normal business hours and as often as the Bank may reasonably request, and (ii) to review and inspect the corporate books and financial records of the County and to make copies thereof and extracts therefrom.

(m) Compliance with Law. The County will comply with and observe the obligations and requirements set forth in the Ordinances, the Constitution of the State and the statutes, regulations, orders or writs binding upon it relating to the Bonds or otherwise applicable to the operations, affairs, properties, condition (financial or otherwise) or prospects of the County, including the System, except to the extent such non-compliance would be unlikely to have a material adverse effect on the business, financial condition, results of operations or prospects of the County.

(n) Proceeds of Bonds. No part of the proceeds of the Bonds or any advance hereunder will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying margin stock.

(o) Payment of Obligations. The County shall take such action as necessary to cause payment of the Bonds, and shall take such further action as is appropriate in order to provide for payment of any and all of its obligations hereunder.

(p) Further Assurances. From time to time hereafter, the County will execute and deliver such additional instruments, certificates or documents, and will take all such actions as the Bank may reasonably request for the purposes of implementing or effectuating the provisions of this Agreement and each of the Related Documents.

(q) Other Indebtedness. The County will not create or incur any indebtedness for borrowed money with respect to monies or securities in the Multi-Modal LTGO/Sewer Revenue Bond Fund other than the Bonds and other indebtedness which is on a parity with the Bonds.

(r) Liens. The County will not issue any bonds, notes, debentures, or other evidences of indebtedness of similar nature, other than the Bonds, payable out of or secured by a security interest in or a pledge or assignment of the Revenue of the System or other moneys, securities or funds held or set aside by the County under the Ordinances, except as provided in the Ordinances; and it will not create or cause to be created any lien or charge on the Revenue of the System or such moneys, securities or funds, except as provided in the Ordinances.

(s) Preservation of Existence. The County will preserve and maintain its existence, rights and privileges in the State, and will qualify and remain qualified and authorized to do business in each other jurisdiction in which such qualification is necessary in view of its activities or operations.

(t) Actions. The County shall not take any action, or cause the Registrar and the Tender Agent to take any action, under the Related Documents inconsistent with the rights of the Bank under this Agreement including, without limitation, its obligations to make payments to the Bank, without the prior written consent of the Bank.

(u) Disclosure. The County shall not refer to the Bank in any official statement or make any changes in reference to the Bank in any official statement without the Bank's prior written consent thereto.

(v) Ordinances; Redemption of Liquidity Provider Bonds.

(i) The County shall transfer Revenue of the System and amounts on deposit in any account under the Ordinances to the Bank in order to pay obligations owing to the Bank under this Agreement and the Liquidity Provider Bonds when due, to the extent permitted under the Ordinances.

(ii) While any Liquidity Provider Bonds are outstanding, the County will to the extent obligated under Section 3.01 or Section 3.03 hereof, (i) redeem Liquidity Provider Bonds from available funds, including available Revenue of the System, and (ii) redeem Liquidity Provider Bonds prior to the optional redemption of any other Bonds under Section 3.2 of the Ordinances.

(w) Optional Redemption. Without the prior written consent of the Bank, the County shall not optionally redeem any Bonds (other than Liquidity Provider Bonds) issued under the Ordinances prior to redeeming Liquidity Provider Bonds in full or if, after giving effect to such redemption in full, there would be any unpaid Differential Interest Amount or any other amount in respect of such Liquidity Provider Bonds shall not have been paid in full.

(x) Waiver of Sovereign Immunity. To the fullest extent permitted by law, in any action, suit, litigation or proceeding, the County shall not claim or otherwise assert sovereign immunity with respect to any obligations of the County under this Agreement or with respect to Liquidity Provider Bonds.

(y) Maintenance of Rating. The County shall use its best efforts to maintain not less than one long-term unenhanced credit rating from Moody's or S&P during the term of this Agreement.

ARTICLE VI

CONDITIONS PRECEDENT

Section 6.01 Conditions to Bank's Entering into Agreement. It shall be a condition precedent to the Bank's entering into this Agreement that all proceedings taken in connection with the transactions contemplated hereby and all documents incident thereto including the Related Documents shall be in form and substance reasonably satisfactory to the Bank and that the conditions enumerated in this Section 6.01 have been fulfilled to the satisfaction of the Bank and its counsel, Winston & Strawn LLP. Delivery by the Bank of fully executed signature pages to this Agreement shall constitute acknowledgment and acceptance by the Bank that all such conditions have been met or waived.

(a) Representations. On the date of the execution and delivery of this Agreement: (i) there shall exist no Event of Termination or Potential Termination Event, (ii) all representations and warranties made by the County herein or in any of the Related Documents to which it is a party shall be true and correct with the same effect as though such representations and warranties had been made at and as of such time, (iii) no material adverse change in the financial condition, operations or prospects of the County shall have occurred since December 31, 2008, and (iv) except as described in writing to the Bank, no transaction or event shall have occurred and no change shall have occurred in the condition (financial or otherwise) or operations of the County between the date of the County's most recent audited financial statements and the effective date of this Agreement which materially adversely affects the issuance of the Bonds, the security for the Bonds or the County's ability to repay when due its obligations under this Agreement and the Related Documents.

(b) Supporting Documents. On or prior to the date of the execution and delivery of this Agreement, the Bank shall have received, in form and substance satisfactory to the Bank, the following:

(i) true and complete executed originals of this Agreement and the Custody Agreement;

(ii) certified copies of the Ordinances, the Remarketing Agreement and each other Related Document not specified in (i) above;

(iii) signature and other authorizing certificates, dated the date of the execution and delivery of this Agreement, regarding the authority of the officers of the County executing this Agreement and the Related Documents to which it is a party and which are being delivered on the date of this Agreement;

(iv) a certificate of the County, dated the date of the execution and delivery of this Agreement, to the effect set forth in Section 6.01(a);

(v) executed legal opinions, dated the date of the execution and delivery of this Agreement, addressed to the Bank and in form and substance satisfactory to the Bank, (A) of Bond Counsel covering such matters as the Bank may reasonably request; and (B) of counsel to the County covering such matters as the Bank may reasonably request; and

(vi) such other documents, instruments, approvals (and, if requested by the Bank, certified duplicates of executed copies thereof) or opinions as the Bank may reasonably request.

(c) Certain Payments. On the date of the execution and delivery of this Agreement, the County shall have paid the upfront fee of the Bank as provided in Section 2.05 and the fees and expenses of counsel to the Bank as provided in Section 8.11.

(d) Ratings. The Bank shall have received satisfactory evidence that the Bonds shall have been assigned a long term rating of "Aa1" by Moody's and "AAA" by S&P, and a short term credit rating of "VMIG-1" by Moody's and "A-1+" by S&P.

(e) Liquidity Provider Bond Ratings. The Bank shall have received satisfactory evidence that the Liquidity Provider Bonds shall have been assigned a long-term rating of not less than "_____" by Moody's.

Section 6.02 Conditions Precedent to Each Purchase.

(a) The obligation of the Bank to purchase Eligible Bonds hereunder on any date is subject to the satisfaction of the following conditions, unless waived in writing by the Bank:

(i) No Immediate Termination Event shall have occurred;

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

(iii) The Bank shall have timely received the Notice of Bank Purchase(s) as provided in Section 2.02 hereof.

(b) Each notification delivered pursuant to clause (iii) of Section 6.02(a) hereof shall constitute a representation and warranty by the Borrower on each Bank Purchase Date that, to its knowledge, each of the conditions described in the clauses (i) and (ii) of this Section 6.02(a) have been satisfied on the applicable Bank Purchase Date.

ARTICLE VII
EVENTS OF TERMINATION; REMEDIES

Section 7.01 Events of Termination. Each of the following events shall constitute an "Event of Termination" hereunder:

(a) any principal or interest due on the Bonds (including any Liquidity Provider Bonds) is not paid when due, whether on any regularly scheduled interest payment date, at maturity, upon redemption or acceleration (other than as a result of acceleration of the payment of any Liquidity Provider Bond due to the occurrence of an Event of Termination hereunder), or otherwise;

(b) nonpayment of any other amounts payable by the County to the Bank when and as due hereunder;

(c) this Agreement, any of the Ordinances or the Bonds or any material provision hereof or thereof with respect to the payment of principal or interest on the Bonds (including Liquidity Provider Bonds) or with respect to the Security, shall for any reason cease to be valid and binding on the County, or an officer of the County shall deny that the County has any or further liability under this Agreement, any of the Ordinances or the Bonds or any material provision hereof or thereof with respect to the payment of principal or interest on the Bonds (including Liquidity Provider Bonds) or with respect to the Security, or any Governmental Authority having jurisdiction shall find or rule that this Agreement, any of the Ordinances or the Bonds or any material provision hereof or thereof with respect to the payment of principal or interest on the Bonds (including Liquidity Provider Bonds) or with respect to the Security is not valid or binding on the County;

(d) a proceeding is instituted in a court having jurisdiction in the premises seeking an order for relief, rehabilitation, reorganization, conservation, liquidation or dissolution in respect to the County or for any substantial part of its property under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or for the appointment of a receiver, liquidator, assignee, custodian, trustee or sequestrator (or other similar official) and such proceeding is not terminated within sixty (60) days after commencement or such court enters an order granting the relief sought in such proceeding or the County shall institute or take any corporate action for the purpose of instituting any such proceeding, or the County shall become insolvent, or unable to pay its debts as they mature, within the meaning of the Bankruptcy Code, shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of the County or for any substantial part of its property, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due within the meaning of the Bankruptcy Code, or shall take any corporate action in furtherance of any of the foregoing;

(e) the County shall (i) default in any payment of principal of, premium, if any, or interest on any Parity Indebtedness, other than Indebtedness owed pursuant to this

Agreement; or (ii) default in the observance or performance of any other agreement or condition relating to any such Parity Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Parity Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Parity Indebtedness to become due and payable;

(f) any representation or warranty made by the County in this Agreement (or incorporated herein by reference) or in any of the other Related Documents or in any certificate, document, instrument, opinion or financial or other statement contemplated by or made or delivered pursuant to or in connection with this Agreement or with any of the other Related Documents, shall prove to have been incorrect, incomplete or misleading in any material respect when made;

(g) default in the due observance or performance by the County of any covenant set forth (or incorporated by reference) in Article V;

(h) default in the due observance or performance by the County of any other term, covenant or agreement set forth (or incorporated by reference) in this Agreement and the continuance of such default for thirty (30) days after the occurrence thereof;

(i) the occurrence of an "event of default" under any of the Related Documents;

(j) any final, non-appealable judgment or judgments, writ or writs or warrant or warrants of attachment, or any similar process or processes in an aggregate amount in excess of \$10,000,000 and payable from the full faith and credit of the County and the Revenue of the System on a parity basis with the Bonds, shall be rendered against the County or against any of its property, including, without limitation, the System, and remain unpaid, unvacated, unbonded, uninsured, or unstayed for a period of sixty (60) days;

(k) the long-term rating of the Bonds or any Parity Indebtedness is lowered below "BBB-" (or its equivalent) by S&P and "Baa3" (or its equivalent) by Moody's, or such long-term ratings are suspended or withdrawn by S&P and Moody's for credit-related reasons; or

(l) the long-term rating of the Bonds or any Parity Indebtedness is lowered below "A-" (or its equivalent) by S&P or "A3" (or its equivalent) by Moody's, or such long-term ratings are suspended or withdrawn by S&P or Moody's.

Section 7.02 Event of Termination Remedies. If any Event of Termination shall have occurred and be continuing:

(a) In the case of an Event of Termination specified in Section 7.01(a), (c), (d), (e)(i), (j) or (k) (each an "Immediate Termination Event"), the Available Commitment and the obligation of the Bank to purchase Bonds shall immediately terminate without prior notice or demand, and thereafter the Bank shall be under no obligation to purchase Bonds. Promptly after the Bank receives notice or otherwise becomes aware of the occurrence of an Immediate

Termination Event, the Bank shall give written notice of the same to the County, the Tender Agent, the Registrar and the Remarketing Agent; *provided*, that the Bank shall incur no liability or responsibility whatsoever by reason of its failure to receive or give such notice and such failure shall in no way affect the termination of the Bank's Available Commitment and of its obligation to purchase Bonds pursuant to this Agreement.

(b) In the case of an Event of Termination other than as set forth in Section 7.02(a) hereof, the Bank may terminate the Available Commitment by giving written notice (a "Notice of Termination") to the County, the Remarketing Agent, the Tender Agent and the Registrar, specifying the date on which the Available Commitment shall terminate (the "Termination Date"), which shall be not less than thirty (30) days from the date of receipt of such notice by the Tender Agent, and on and after the Termination Date the Bank shall be under no further obligation to purchase Bonds hereunder.

(c) Upon the occurrence and during the continuance of a Potential Termination Event described in Section 7.01(d) hereof (a "Suspension Event"), the obligation of the Bank to purchase Bonds hereunder shall be immediately and automatically suspended, without notice, and the Bank shall be under no further obligation hereunder to purchase Bonds, until the bankruptcy, insolvency or similar proceeding referred to therein is terminated prior to the court entering an order granting the relief sought in such proceeding. In the event such proceeding is terminated prior to the court entering an order granting the relief sought in such proceeding, then the obligations of the Bank hereunder shall be automatically reinstated and the terms of the Agreement shall continue in full force and effect (unless the obligation of the Bank to purchase Bonds hereunder shall otherwise have terminated as provided in this Section 7.02) as if there had been no such suspension. Promptly after the Bank receives notice or otherwise becomes aware of the occurrence of a Suspension Event, the Bank shall give written notice of the same to the County, the Tender Agent, the Registrar and the Remarketing Agent; *provided*, that the Bank shall incur no liability or responsibility whatsoever by reason of its failure to receive or give such notice and such failure shall in no way affect the suspension of the Bank's Available Commitment and of its obligation to purchase Bonds pursuant to this Agreement.

(d) In addition to the rights and remedies set forth in Section 7.02(a), (b) and (c), in the case of any Event of Termination specified in Section 7.01, upon the election of the Bank, the Bank shall have all the rights and remedies available to it under this Agreement, the Related Documents, or otherwise pursuant to law or equity.

Section 7.03 Certain Other Matters. No failure or delay on the part of the Bank in exercising any right, power or privilege hereunder and no course of dealing shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein expressly provided are cumulative and not exclusive of any rights or remedies which the Bank would otherwise have. No notice to or demand on the County or any other Person hereto in any case shall entitle the County or such other Person to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the Bank to any other or further action in any circumstances without notice or demand.

ARTICLE VIII

MISCELLANEOUS

Section 8.01 Changes to Agreement. No provision of this Agreement may be changed, waived, discharged or terminated except by an instrument in writing signed by the parties hereto. The County shall give notice to S&P and Moody's of any amendments to this Agreement.

Section 8.02 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto; *provided, however*, that the County may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Bank; and *provided, further, however*, with respect to the Bank, no assignment shall occur and become effective until each of S&P and Moody's, if then rating the Bonds, has confirmed in writing that such assignment shall not cause the lowering, withdrawal or suspension of any ratings then existing on the Bonds. The Bank shall have the right at any time to grant participations in all or part of its obligations hereunder and the obligations of the County hereunder to any other institutional purchaser (the "Participants") without the consent of or notice to the County or any other Person; *provided, however*, that any such participation shall not relieve the Bank from any of its obligations under this Agreement and the County, the Tender Agent, the Registrar and the Remarketing Agent may deal exclusively with the Bank for all purposes of this Agreement (including the making of all payments on Liquidity Provider Bonds). The Bank may disclose to any Participant or prospective Participant any information or other data or material in the Bank's possession relating to this Agreement, any Related Document and the County, without the consent of or notice to the County.

Section 8.03 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York; *provided* that the duties and obligations of the County under this Agreement shall be governed by and construed in accordance with the internal laws of the State, without giving effect to conflict of law principles.

Section 8.04 Submission to Jurisdiction; Waiver of Jury Trial. **THE COUNTY HEREBY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF WASHINGTON AND OF ANY STATE COURT SITTING IN THE CITY OF SEATTLE FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER RELATED DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY; PROVIDED THAT THE PARTIES AGREE TO THE EXTENT EITHER SUCH COURT SHALL HAVE COMPETENT JURISDICTION, THAT THE PARTIES SHALL FIRST DESIGNATE THE UNITED STATES DISTRICT COURT LOCATED IN THE WESTERN DISTRICT OF WASHINGTON AS THE SITE OF SUCH SUIT, ACTION OR PROCEEDING. THE COUNTY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. THE BANK, THE**

TENDER AGENT AND THE COUNTY EACH HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO ANY RELATED DOCUMENT OR THE TRANSACTIONS CONTEMPLATED THEREBY.

Section 8.05 Extension of Bank Purchase Period. The Stated Expiration Date may be extended from time to time, at the request of the County (in the form of Exhibit C attached hereto) made no earlier than one hundred and eighty (180) days prior to the Stated Expiration Date, by agreement in writing between the County and the Bank (the period from the preceding Stated Expiration Date to such new Stated Expiration Date being herein sometimes called the "Extended Bank Purchase Period"). The Extended Bank Purchase Period may itself be extended in a like manner for additional periods. The Bank has no obligation to agree to any Extended Bank Purchase Period. If the Bank, in its sole and absolute discretion, determines to extend any such period, the Bank shall give written notice of the election to extend to the County, the Tender Agent, the Registrar and the Remarketing Agent not more than sixty (60) days following the Bank's receipt of the request of the County to so extend. At the time of any extension, the Bank may, in its sole and absolute discretion, renegotiate terms and conditions of this Agreement, including the commitment fees and the Bank Rate. Notwithstanding anything in this paragraph to the contrary, if the Bank fails to give notice of an election to extend, this Agreement shall expire at the end of the Bank Purchase Period or Extended Bank Purchase Period then in effect.

Section 8.06 Notice. Any notice, demand, direction, request or other instrument authorized or required by this Agreement to be given to or filed with the Registrar, the Tender Agent, the Remarketing Agent, the Bank or the County, shall be deemed or have been sufficiently given or filed for all purposes when delivered by hand or when sent by registered mail, return receipt requested, postage prepaid, and if given by telecopy shall be deemed given when transmitted (receipt confirmed):

If to the Tender Agent, to:

The Bank of New York Mellon
101 Barclay Street, 7 West
New York, New York 10286
Attention: Global Corporate Trust, Municipal Finance
Telephone No.: (212) 815-5084
Facsimile No.: (212) 815-3466

If to the Registrar, to:

The Bank of New York Mellon
101 Barclay Street, 7 West
New York, New York 10286
Attention: Global Corporate Trust, Municipal Finance
Telephone No.: (212) 815-5084
Facsimile No.: (212) 815-3466

If to the Bank:

State Street Bank and Trust Company
State Street Financial Center
One Lincoln Street, SFC/5
Boston, Massachusetts 02111-2900
Attention: Michael Murray, Vice President (Credit Contact)
Telephone No.: (617) 664-4921
Facsimile No.: (617) 946-0358

with a copy to:

State Street Bank and Trust Company
State Street Financial Center
One Lincoln Street, SFC/5
Boston, Massachusetts 02111-2900
Attention: Adam Kennedy (Operations Contact)
Telephone No.: (617) 664-3818
Facsimile No.: (617) 310-5757

Wire instructions with respect to Facility or Other Fees:

State Street Bank and Trust Company
ABA #011-000-028
Account Name: Municipal Finance Fee Receivable
Account Number: 4867-932-8
Reference: (King County, Washington, 2009 Series A and B Bonds)

Wire instructions with respect to Liquidity Provider Bond payments:

State Street Bank and Trust Company
ABA #011-000-028
Account Name: Municipal Finance Draw Fee Clearing Account
Account Number: 4867-933-6
Reference: (King County, Washington, 2009 Series A and B Bonds)

If to the Remarketing Agent:

With respect to the Series 2009A Bonds:

With respect to the Series 2009B Bonds:

If to the County:

King County, Washington
Department of Finance
500 Fourth Avenue ADM-FI-0611
Seattle, Washington 98104
Attention: Nigel H. Lewis
Telephone No.: (206) 296-1168
Facsimile No.: (206) 296-7345

Section 8.07 Obligations Absolute. The obligations of the County under this Agreement shall be absolute, unconditional and irrevocable, and shall be paid and performed strictly in accordance with the terms of this Agreement, under all circumstances whatsoever, including, without limitation, the following circumstances:

- (a) any lack of validity or enforceability of the Related Documents;
- (b) any amendment or waiver of or any consent to or departure from all or any of the Related Documents;
- (c) any exchange, release or non-perfection of any collateral or any release or amendment or waiver of or consent to departure from any guaranty and insurance documents;
- (d) the existence of any claim, set-off, defense, or other right which the County may have at any time against the Registrar, the Tender Agent, the Remarketing Agent, the Bank (other than the defense of the payment to the Bank in accordance with the terms of this Agreement) or any other Person, whether in connection with this Agreement, the Related Documents or any unrelated transactions;

(e) any certificate, notice or any other document presented under this Agreement proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever; or

(f) any other circumstance, or happening whatsoever, whether or not similar to any of the foregoing.

Section 8.08 Holidays. Except as otherwise provided herein, whenever any payment or action to be made or taken hereunder shall be stated to be due on a day which is not a Business Day, such payment or action shall be made or taken on the next following Business Day, and such extension of time shall be included in computing interest or fees, if any, in connection with such payment or action.

Section 8.09 Survival. All representations, warranties, covenants and agreements of the County contained in this Agreement as amended or supplemented from time to time or made in writing in connection herewith shall survive the execution and delivery hereof and the purchase of Bonds by the Bank hereunder and shall continue in full force and effect until payment in full of all payment obligations of the County hereunder, it being understood that the agreements of the County found in Sections 2.06, 2.07, 3.01(b), and 8.11 shall survive the termination of this Agreement and payment in full of such obligations.

Section 8.10 Liability of the Bank. The County and the Tender Agent agree that the Bank shall have no liability or responsibility for the acts or omissions of each of the Remarketing Agent and the Tender Agent in respect of its use of this Agreement or any amounts made available by the Bank hereunder. The Bank shall have no responsibility for, nor incur any liability in respect of, any act, or any failure to act, by the Tender Agent which results in the failure of the Tender Agent to effect the purchase of Tendered Bonds for the account of the Bank with funds provided by the Bank pursuant to Section 2.02 or to comply with the applicable provisions of any of the Ordinances. Neither the Bank nor any of its directors, officers or employees shall be liable or responsible for: (a) the use which may be made of this Agreement or any amounts made available by the Bank hereunder or for any acts or omissions of the Tender Agent or the Remarketing Agent in connection therewith; (b) the validity, sufficiency or genuineness of documents, or of any endorsement(s) thereon even if such documents should in fact prove to be in any or all respect invalid, insufficient, fraudulent or forged; or (c) any other circumstances whatsoever in making or failing to make payment under this Agreement, other than, in the case of the Bank, the Bank's gross negligence or willful failure to purchase Tendered Bonds when required under the terms and conditions of this Agreement. In no event shall the Bank be liable to any Person for consequential damages, including; without limitation, such damages suffered by reason of the Bank's failure to purchase Tendered Bonds when required under the terms and conditions of this Agreement.

Section 8.11 Certain Costs; Indemnification.

(a) The County agrees to pay to the Bank (i) on the date of execution of this Agreement, all reasonable costs and expenses incurred by the Bank and its counsel in connection with the preparation, execution and delivery of this Agreement and any other documents and instruments that may be delivered in connection therewith, *provided*, that such counsel fees shall

not exceed \$35,000 plus disbursements, and (ii) all costs, charges and expenses (including reasonable fees and expenses of counsel for the Bank, and out-of-pocket expenses of the Bank) otherwise arising in connection with this Agreement and the Related Documents, including, without limitation, in connection with any amendment or waiver with respect to this Agreement, the Bonds and the other Related Documents and any stamp and other taxes and fees payable or determined to be payable in connection with the execution and delivery of this Agreement and any other documents or instruments that may be delivered in connection therewith.

(b) To the extent permitted by law, the County agrees to indemnify and hold the Bank harmless from and against, and to pay on demand, any and all claims, damages, losses, liabilities, costs and expenses whatsoever which the Bank may incur or suffer by reason of or in connection with (i) the execution and delivery or performance of this Agreement or any other documents which may be delivered in connection with this Agreement, (ii) the disclosure in the Official Statement or any other offering document used in connection with the offering, sale, remarketing or resale of the Bonds, other than information regarding the Bank set forth therein which is expressly provided by the Bank for inclusion therein, or (iii) any breach by the County of any warranty, covenant, term or condition in, or the occurrence of any default under, this Agreement or any other Related Document, including, without limitation, the reasonable fees and expenses of counsel for the Bank with respect thereto and with respect to advising the Bank as to its rights and responsibilities under this Agreement and all reasonable fees and expenses, if any, in connection with the enforcement or defense of the rights of the Bank in connection with this Agreement or any of the Related Documents, or the collection of any monies due under this Agreement or such other documents which may be delivered in connection with this Agreement or any of the Related Documents; except, only if, and to the extent that any such claim, damage, loss, liability, cost or expense shall be caused by the Bank's gross negligence or willful misconduct as determined by a court of competent jurisdiction. Promptly after receipt by the Bank or notice of the commencement, or threatened commencement, of any action subject to the indemnities contained in this Section 8.11 the Bank shall promptly notify the County thereof, *provided* that failure to give such notice shall not relieve the County from any liability to the Bank hereunder. The obligations of the County under this Section 8.11 shall survive payment of all obligations by the County to the Bank owed under this Agreement.

Section 8.12 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original but both of which, when taken together shall constitute one and the same instrument.

Section 8.13 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 8.14 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 8.15 USA PATRIOT Act. The Bank, to the extent that it is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), hereby notifies the County that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies the County, which information includes the name and address of the County and other information that will allow the Bank to identify the County in accordance with the Act.

Section 8.16 Waiver of Setoff. The Bank waives its right to offset any obligations owed by it to the County against any obligations owed by the County to it.

Section 8.17 Oral Agreements Not Enforceable. ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, TO EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

[signature page immediately follows]

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed and delivered this Agreement, effective as of the day and year first above written.

STATE STREET BANK AND TRUST
COMPANY, as the Bank

By: _____
Name: Timothy Batler
Title: Senior Vice President

KING COUNTY, WASHINGTON

By: _____
Name:
Title

THE BANK OF NEW YORK MELLON, as Tender
Agent

By: _____
Name:
Title

NOTICE OF BANK PURCHASE
(Liquidity Purchase)

The undersigned, a duly authorized officer of _____, as Tender Agent and as Bond Registrar (collectively, the "Tender Agent"), hereby certifies to State Street Bank and Trust Company (the "Bank"), in accordance with the Standby Bond Purchase Agreement (the "Standby Purchase Agreement"), dated as of December 1, 2009, among King County, Washington, the Tender Agent and the Bank (all capitalized terms herein having the meanings given them in the Standby Purchase Agreement), that:

1. Notice of tender of Eligible Bonds for purchase pursuant to Section 3.6 of the [Series 2009A Ordinance][Series 2009B Ordinance][Ordinances]¹ has been received.

2. Insufficient money is available for such purchase pursuant to Section 3.8(c) of the [Series 2009A Ordinance][Series 2009B Ordinance][Ordinances]².

3. [(a) The total principal amount of the Eligible Bonds for which there is not sufficient moneys referred to above is \$ _____, which amount does not exceed the Available Principal Commitment.]

[(b) Accrued, but unpaid, interest on such Eligible Bonds (other than Defaulted Interest), computed in accordance with the terms of the Bonds and the Ordinance, as of the date of delivery hereof to the Bank is \$ _____, which amount does not exceed the Available Interest Commitment.]³

4. The Eligible Bonds referred to above are hereby tendered to the Bank for purchase pursuant to the Standby Purchase Agreement on the date hereof for an aggregate Purchase Price of \$ _____,⁴ which amount does not exceed the Available Commitment.

5. Upon completion of purchase, the Tender Agent will [register such Bonds, or if a Bond for which notice of tender for purchase pursuant to Section 3.6 of the [Series 2009A Ordinance][Series 2009B Ordinance][Ordinances]⁵ has been given is not delivered, to issue a new Bond in replacement of the undelivered Bond, in the name of the Bank, or if directed in writing by the Bank, its nominee or designee on the Bond Register] [cause the beneficial

¹ Tender Agent to insert applicable reference.

² Tender Agent to insert applicable reference.

³ If the Bonds are to be purchased on an Interest Payment Date therefor, this amount will exclude the interest payable on such date. If the exclusion results in no interest, delete (b).

⁴ Insert the sum of principal and accrued interest shown in paragraphs 3(a) and (b).

⁵ Tender Agent to insert applicable reference.

ownership of such Bonds to be credited to the account of the Bank, or if directed in writing by the Bank, its nominee or designee with the Depository and register such Bonds in the name of the Bank, or its nominee or designee on the Bond register] [, and will promptly deliver such Bonds to the Custodian or as the Bank may otherwise direct in writing, and prior to such delivery, will hold such Bonds in trust for the benefit of the Bank].

6. The Bank Purchase Date is _____, _____ and the wire instructions for payment of the Purchase Price are as follows: [insert payment instructions].

7. To the best of the Tender Agent's knowledge, no Immediate Termination Event or Suspension Event has occurred.

IN WITNESS WHEREOF, the Tender Agent has executed and delivered this certificate as of the _____ day of _____, _____.

_____, as Tender
Agent

By: _____
Name: _____
Title: _____

EXHIBIT B

NOTICE OF BANK PURCHASE
(Mandatory Purchase)

The undersigned, a duly authorized officer of _____, as Tender Agent and as Bond Registrar (collectively, the "Tender Agent"), hereby certifies to State Street Bank and Trust Company (the "Bank"), in accordance with the Standby Bond Purchase Agreement (the "Standby Purchase Agreement"), dated as of December 1, 2009, among King County, Washington, the Tender Agent and the Bank (all capitalized terms herein having the meanings given them in the Standby Purchase Agreement), that:

1. Eligible Bonds have been tendered or deemed tendered for mandatory purchase pursuant to Section 3.7 of the [Series 2009A Ordinance][Series 2009B Ordinance][Ordinances]¹.

2. Insufficient moneys are available for such purchase pursuant to Section 3.8(c) of the [Series 2009A Ordinance][Series 2009B Ordinance][Ordinances]².

3. [(a) The total principal amount of the Eligible Bonds referred to above is \$ _____, which amount does not exceed the Available Principal Commitment.]

[(b) Accrued, but unpaid interest on such Eligible Bonds (other than Defaulted Interest), computed in accordance with the terms of the Bonds and the Ordinance, as of the date of delivery hereof to the Bank is \$ _____, which amount does not exceed the Available Interest Commitment.]³

4. The Eligible Bonds referred to above are being delivered to the Bank for purchase pursuant to the Standby Purchase Agreement on the date hereof for an aggregate Purchase Price of \$ _____,⁴ which amount does not exceed the Available Commitment.

5. Upon completion of purchase, the Tender Agent will [register such Bonds, or if a Bond for which notice of tender for purchase pursuant to Section 3.7 of the [Series 2009A Ordinance][Series 2009B Ordinance][Ordinances]⁵ has been given is not delivered, to issue a new Bond in replacement of the undelivered Bond, in the name of the Bank, or if directed in writing by the Bank, its nominee or designee on the Bond Register] [cause the beneficial ownership of such Bonds to be credited to the account of the Bank, or if directed in writing by

¹ Tender Agent to insert applicable reference.

² Tender Agent to insert applicable reference.

³ If the Bonds are to be purchased on an Interest Payment Date therefor, this amount will exclude the interest payable on such date. If exclusion results in no interest, delete (b).

⁴ Insert the sum of principal and accrued interest shown in paragraphs 3(a) and (b).

⁵ Tender Agent to insert applicable reference.

the Bank, its nominee or designee with the Depository and register such Bonds in the name of the Bank, or its nominee or designee on the Bond register] [, and will promptly deliver such Bonds to the Custodian or as the Bank may otherwise direct in writing, and prior to such delivery, will hold such Bonds in trust for the benefit of the Bank].

6. The Bank Purchase Date is _____, _____ and the wire instructions for payment of the Purchase Price are as follows: [insert payment instructions].

7. To the best of the Tender Agent's knowledge, no Immediate Termination Event or Suspension Event has occurred.

IN WITNESS WHEREOF, the Tender Agent has executed and delivered this certificate as of the _____ day of _____, _____.

_____, as Tender
Agent

By: _____

Name: _____

Title: _____

FORM OF REQUEST FOR EXTENSION OF STATED EXPIRATION DATE

[DATE]

State Street Bank and Trust Company
State Street Financial Center
One Lincoln Street, SFC/5
Boston, Massachusetts 02111-2900
Attention: Michael Murray, Vice President
(Credit Contact)
Telephone No.: (617) 664-4921
Facsimile No.: (617) 946-0358

State Street Bank and Trust Company
State Street Financial Center
One Lincoln Street, SFC/5
Boston, Massachusetts 02111-2900
Attention: Adam Kennedy (Operations
Contact)
Telephone No.: (617) 664-3818
Facsimile No.: (617) 310-5757

Re: Request for Extension of Stated Expiration Date

Ladies and Gentlemen:

Reference is hereby made to that Standby Bond Purchase Agreement (the "Agreement"), dated as of December 1, 2009, among King County, Washington (the "County"), _____, as Tender Agent and as Registrar, and State Street Bank and Trust Company (the "Bank"). All capitalized terms contained herein which are not specifically defined shall be deemed to have the definition set forth in the Agreement. The County hereby requests, pursuant to Section 8.05 of the Agreement, that the Stated Expiration Date for the Bank Purchase Period be extended by [IDENTIFY APPROPRIATE PERIOD]. Pursuant to Section 8.05 of the Agreement, we have enclosed along with this request the following information:

1. The outstanding principal amount of the Bonds;
2. The nature of any and all Events of Termination and all Potential Termination Events; and
3. Any other pertinent information previously requested by the Bank.

The Bank is required to notify in writing the Tender Agent, the Registrar, the County and the Remarketing Agent of the Bank's decision with respect to this request for extension no less than sixty (60) days following the Bank's receipt of this written request. If the Bank fails to notify in writing such parties of the Bank's decision on or prior to such sixtieth (60th) day, the Bank shall be deemed to have rejected such request.

Very truly yours,

KING COUNTY, WASHINGTON

By: _____

Name: _____

Title: _____

FORM OF CUSTODY AGREEMENT

This CUSTODY AGREEMENT dated as of December 1, 2009, by and between The Bank of New York Mellon, as custodian (the "Custodian") and State Street Bank and Trust Company (the "Bank").

WHEREAS, King County, Washington (the "County"), The Bank of New York Mellon, as tender agent and as registrar (collectively, the "Tender Agent") and the Bank have entered into that certain Standby Bond Purchase Agreement dated as of December 1, 2009 (the "Agreement"), pursuant to which the Bank has agreed to purchase in certain circumstances the King County, Washington Multi-Modal Limited Tax General Obligation Bonds (Payable from Sewer Revenue), Series 2009A (the "Series 2009A Bonds") issued by the County and the King County, Washington Multi-Modal Limited Tax General Obligation Bonds (Payable from Sewer Revenue), Series 2009A (the "Series 2009B Bonds" and collectively with the Series 2009A Bonds) issued by the County; and

WHEREAS, the Series 2009A Bonds were issued pursuant to Ordinance No. _____ adopted by the County on September _____, 2009 (as amended and supplemented from time to time in accordance with the provisions thereof and hereof, the "Series 2009A Ordinance"), and the Series 2009B Bonds were issued pursuant to Ordinance No. _____ adopted by the County on September _____, 2009 (as amended and supplemented from time to time in accordance with the provisions thereof and hereof, the "Series 2009B Ordinance" and collectively with the Series 2009A Ordinance, the "Ordinances"); and

WHEREAS, the Ordinances require that the Bonds delivered by the holders thereof to the Tender Agent be purchased under certain circumstances by the Bank under the Agreement; and

WHEREAS, it is a condition to the effectiveness of the obligations of the Bank under the Agreement that the Custodian shall have entered into this Custody Agreement with the Bank; and

WHEREAS, the Custodian has agreed to act as custodian and agent for the Bank, as herein provided;

NOW THEREFORE, in consideration of the mutual covenants recited herein, and other good and valuable consideration, receipt of which is hereby acknowledged, it is hereby agreed as follows:

- (a) The Bank appoints the Custodian as its agent and bailee for the purpose of receiving Liquidity Provider Bonds (as defined in the Agreement) under the Agreement and holding such Liquidity Provider Bonds for and on behalf of the Bank. Liquidity Provider Bonds shall be held and registered as provided in

Section 2.02 of the Agreement. The Custodian hereby agrees to hold the Liquidity Provider Bonds for such purpose, as the Bank's agent and bailee. As used herein, the term "Liquidity Provider Bonds" means, unless the context otherwise requires, the beneficial ownership of such Liquidity Provider Bonds during any period that Liquidity Provider Bonds are maintained as book entry bonds.

- (b) Except at the written direction of the Bank, the Custodian shall not pledge, hypothecate, transfer or release possession of such Liquidity Provider Bonds held by or registered in the name of the Custodian on behalf of the Bank to any Person or in any manner not in accordance with this Custody Agreement and shall not enter into any other agreement, other than the Agreement or the Ordinances, regarding possession of the Liquidity Provider Bonds without the prior written consent of the Bank. The Custodian will not release Liquidity Provider Bonds to the purchaser of such Liquidity Provider Bonds unless the Bank has delivered to the Custodian, in addition to its written direction contemplated above in this paragraph, written notice (which may be by telex, answerback received) that a portion of the Available Principal Commitment (as defined in the Agreement) in an amount equal to the principal amount of such Liquidity Provider Bonds has been reinstated.
- (c) Upon written notice to the Bank, and release and delivery to the Bank or its designee of any Liquidity Provider Bonds then held by the Custodian on behalf of the Bank pursuant to this Custody Agreement, the Custodian shall have the right to terminate its obligations with respect to such Liquidity Provider Bonds under this Custody Agreement. The Bank shall have the option to terminate this Custody Agreement at any time upon written notice to the Custodian and, upon such termination, the Custodian will release and deliver to the Bank or its designee any Liquidity Provider Bonds then held by the Custodian hereunder. The Bank may also from time to time request that the Custodian release and deliver to the Bank all or a portion of the Liquidity Provider Bonds then held by the Custodian on behalf of the Bank without termination of this Custody Agreement, and upon receipt of any such request in writing, the Custodian will release and deliver such Liquidity Provider Bonds to the Bank or its designee then held by the Custodian.
- (d) In acting under this Custody Agreement the Custodian shall not be liable to the Bank except for gross negligence or willful misconduct in the performance of its obligations hereunder.
- (e) The Custodian's duties are only such as are specifically provided herein, and the Custodian shall incur no fiduciary or other liability whatsoever to the Bank or any other Person, except to the extent the Bank incurs any loss or liability due to the Custodian's gross negligence or willful misconduct. Anything in this Custody Agreement to the contrary notwithstanding, in no event shall the Custodian be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Custodian has been advised

of such loss or damage and regardless of the form of action. The Custodian may consult with counsel and shall be fully protected in any action taken, suffered or omitted in good faith in accordance with such advice. The Custodian may rely conclusively and shall be fully protected in acting upon any written instructions given to it hereunder and believed by it to have been properly executed.

- (f) The Custodian may resign at any time by giving written notice thereof to the Bank. Such resignation shall not become effective until a successor Custodian shall have been appointed by the Bank and shall have accepted such appointment in writing. The resigning Custodian may, at the expense of the County, petition any court of competent jurisdiction, including without limitation the Supreme Court of the State of New York, for the appointment of a successor Custodian.
- (g) This Custody Agreement cannot be amended or modified except in a writing signed by the Bank and the Custodian.
- (h) This Custody Agreement shall inure to the benefit of and shall be binding upon the Custodian and the Bank, and their respective successors and assigns.
- (i) This is the Custody Agreement referred to in the Agreement, and shall be governed by the law of the State of New York.
- (j) This Custody Agreement may be executed in counterparts which, taken together, shall constitute a single document.

[signature page immediately follows]

IN WITNESS WHEREOF, the parties have hereunder set their hands, all as of the date first above written.

THE BANK OF NEW YORK MELLON, as the
Custodian

By: _____
Name:
Title:

STATE STREET BANK AND TRUST
COMPANY, as the Bank

By: _____
Name: Timothy Batler
Title: Senior Vice President

ACCEPTED AND AGREED TO:

KING COUNTY, WASHINGTON

By: _____
Name:
Title: