

EXHIBIT A**SECOND AMENDMENT RELATING TO
THE REIMBURSEMENT AGREEMENT**

This SECOND AMENDMENT RELATING TO THE REIMBURSEMENT AGREEMENT dated as of June __, 2010 (the "**Amendment**") between KING COUNTY, WASHINGTON (the "**County**") and LANDESBANK HESSEN-THÜRINGEN GIROZENTRALE, acting through its New York Branch (the "**Bank**"), amending the Reimbursement Agreement between the parties dated as of August 1, 2001, as amended by the Amendment to the Reimbursement Agreement dated as of May 18, 2004 (the "**Agreement**"), relating to the Bonds (as defined herein).

WITNESSETH

WHEREAS, the County heretofore issued its \$50,000,000 Junior Lien Variable Rate Demand Sewer Revenue Bonds, Series 2001A (the "**Bonds**") pursuant to Ordinance 14171 of the County, passed by the Metropolitan King County Council on July 16, 2001;

WHEREAS, concurrently with the issuance of the Bonds, the County and the Bank entered into the Agreement in connection with the delivery by the Bank of its Letter of Credit to provide security for payment of the Bonds;

WHEREAS, pursuant to Section 8.12 of the Agreement no provision of the Agreement shall be amended, modified, discharged or waived unless such amendment or waiver is in writing signed by the County and the Bank; and

WHEREAS, the parties desire to effect certain amendments to the Agreement relating to, among other matters, the amount of the fees payable to the Bank.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged by the parties hereto, the Bank and the County do hereby agree as follows:

SECTION 1. Amendments to Agreement.

Upon satisfaction of the conditions contained in Section 2 hereof, the Agreement is hereby amended by:

(a) adding a definition of "**Bank Bond CUSIP Number**" in Section 1.1 of the Agreement to read as follows:

“**Bank Bond CUSIP Number**” means with respect to any Bond that becomes a Bank Bond _____.”

(b) amending and restating the definition of "**Bank Rate**" in Section 1.1 of the Agreement to read as follows:

“**Bank Rate**” means, for each day of determination, an interest rate per annum with respect to each Drawing specified as follows: (i) from and including the date of such Drawing to but excluding the 61st day following the date of such Drawing, the Base Rate, (ii) from and including the 61st day following the date of such Drawing to but excluding the 91st day following the date of such Drawing, the Base plus 1.0% and (iii) thereafter, the Base Rate plus 2.0%; *provided, however*, all amounts owed pursuant to Section 3.1(c) hereof shall bear interest at the Default Rate; *provided further*, that at all no time shall the Bank Rate be less than the applicable rate of interest on Bonds which are not Bank Bonds.”

(c) adding a definition of “**Base Rate**” in Section 1.1 of the Agreement to read as follows:

“**Base Rate**” means, for any day, an interest rate per annum equal to the highest of (a) the sum of the Prime Rate for such day plus two percent (2.0%), (b) the sum of the Federal Funds Rate for such day plus two percent (2.0%) and (c) eight percent (8.0%), calculated on the basis of a year of 365 days or 366 days, as applicable, and the actual number of days elapsed.”

(d) amending and restating the definition of “**Letter Agreement**” in Section 1.1 of the Agreement to read as follows:

“**Letter Agreement**” means that certain Second Amended and Restated Letter Agreement dated June __, 2010 between the County and the Bank.”

(e) amending and restating Section 2.4 of the Agreement to read as follows:

“SECTION 2.4. Optional Termination of Commitment.

The Bank may terminate its commitment hereunder on August 10, 2012 or August 10, 2014, such termination to be effective at 5:01 pm (New York time) on such applicable termination date (each, an “**Optional Expiration Date**”) if it provides written notice, in the form set forth in Annex 1 hereto, to the County and the Registrar designating such Optional Expiration Date not later than April 13, 2012 or April 11, 2014, respectively. In the event the Bank does not provide notice of an Optional Expiration Date as provided hereunder, then the Bank’s commitment hereunder will terminate on the Expiration Date.”

(f) adding a new Section 2.5 to the Agreement to read as follows:

“SECTION 2.5. Voluntary Termination of the Letter of Credit.

Notwithstanding Section 2.2 hereof, in the event the County terminates the Letter of Credit prior to August 10, 2011, the County shall pay the Bank a termination fee equal to the Annual Letter of Credit Fee which would have accrued from and including the date of such termination to but excluding August 10, 2011; *provided, however*, such termination fee shall not be due and payable if the County terminates the Letter of Credit due to a downgrade in the Bank’s long-

term credit ratings from “Aaa”, in the case of Moody’s, “AAA”, in the case of Fitch, or “AA”, in the case of S&P, or a downgrade in the Bank’s short-term credit ratings from “P-1”, in the case of Moody’s, “F1+”, in the case of Fitch, and “A-1+”, in the case of S&P; *provided further*, the County pays to the Bank all principal and accrued interest owing on any Bank Bonds, and all costs, fees and payments due to the Bank on such date of termination.”

- (g) amending and restating Section 3.1(c) of the Agreement to read as follows:

“(c) interest on any and all amounts owed by it under this Reimbursement Agreement from and after the earlier of (i) the occurrence of an Event of Default and (ii) the date such amounts are due and payable but not paid until payment thereof in full, at a fluctuating interest rate per annum (computed on the basis of the actual numbers of days elapsed and a year of 365/366 days, as applicable) equal to the higher of (a) the sum of the Base Rate plus three percent (3.0%) and (b) twelve percent (12.0%) (the “*Default Rate*”). Notwithstanding the foregoing, interest payable with respect to Principal Purchase Drawings shall accrue and be payable as provided in Section 3.2(c).”

- (h) amending and restating Section 3.8 of the Agreement to read as follows:

“SECTION 3.8. Nature of County’s Obligations.

All payment obligations of the County under this Agreement are (i) obligations of the Sewer System, payable from Revenue of the System available after making the payments described in Paragraphs First through Eleventh in Section 5.01(b) of the Bond Ordinance and (ii) general obligations of the County, for which the County covenants that each year it will include in its budget and levy an *ad valorem* tax upon all property within the County subject to taxation, within and a part of the tax levy permitted to counties without a vote of the people, in an amount that will be sufficient, together with all other revenues and money of the County legally available for such purposes (including Revenue of the Sewer System, as provided in clause (i) above), to pay such obligations. The full faith, credit and resources of the County are hereby irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of such obligations.”

- (i) adding a new Section 6.11 to the Agreement to read as follows:

“SECTION 6.11. Bank Bond Rating.

Upon the purchase of any Bonds by the Bank, the County (i) shall promptly obtain, but in any event within thirty (30) days of such purchase and at the County’s expense, a rating for Bank Bonds bearing the Bank Bond CUSIP Number from at least one of Moody’s, Fitch or S&P and (ii) shall ensure that the ratings assigned to such Bank Bonds are available to the Bank in an electronic format (such as PDF form or electronic mail message). In the event that the County has not obtained such rating within thirty (30) days of such purchase, the

County agrees that the Bank may obtain such rating on behalf of the County and the County agrees to reimburse the Bank on demand for all costs (including reasonable attorneys' fees) incurred by the Bank in obtaining such rating."

(j) amending and restating Section 7.2(d) of the Agreement to read as follows:

"(d) *All Remedies.* Pursue any other available legal and equitable remedies, including the right to bring a writ of mandamus action against the County and its officials seeking the levying of taxes sufficient, together with other moneys lawfully available, in order to enforce the pledge of the County as to its payment obligations under this Agreement as set forth in clause (ii) of Section 3.8 hereof."

(k) amending and restating Annex 1 to the Agreement to read as set forth in the form of Annex 1 attached hereto.

SECTION 2. Conditions of Effectiveness.

This Amendment shall become effective on June __, 2010, provided that (i) counterparts of this Amendment have been executed and delivered by the County and the Bank, which execution and delivery by the County shall be deemed to constitute a representation and warranty by the County that the statements in Section 3 hereof are true, (ii) the Bank shall have received from the County an incumbency certificate with respect to the officer or agent of the County who is authorized to execute and accept and agree to any documents or instruments on behalf of the County under this Amendment, (iii) the Bank shall have received evidence to the effect that this Amendment has been duly authorized, executed and delivered by the County, (iv) the Bank shall have received such other documents as it shall reasonably request, (v) the Bank shall have received evidence satisfactory to it that the County has obtained CUSIP numbers for any bonds that become Bank Bonds and (vi) the Bank shall have received an opinion of K&L Gates LLP, counsel to the County, as to the enforceability of the Agreement as amended by this Amendment.

SECTION 3. Representations and Warranties.

As of the date this Amendment becomes effective pursuant to Section 2 hereof, the County represents and warrants to the Bank that:

- (i) the County has duly authorized, executed and delivered this Amendment;
- (ii) no authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory agency or other party is required for the due execution, delivery and performance by the County of this Amendment, except such as have been duly obtained or made and are in full force and effect;
- (iii) this Amendment is the legal, valid and binding obligation of the County enforceable against it in accordance with its terms;

(iv) the representations and warranties made by the County in Article V of the Agreement are correct on and as of such date as though made on and as of such date; and

(v) since the last day of the fiscal year for which financial statements have been provided to the Bank, there has been no material adverse change in the financial condition or operations of the County.

SECTION 4. Definitions; Reference to, Effect on and Ratification of Agreement.

(a) Capitalized terms used in this Amendment and not specifically defined herein shall have the same meanings assigned to them in the Agreement.

(b) Upon the effectiveness of this Amendment, each reference in the Agreement to "this Agreement," "hereunder," "hereof," "herein" or words of like import referring to the Agreement, and each reference in the Related Documents to the Agreement, shall mean and be a reference to the Agreement as amended by the Amendment to the Reimbursement Agreement, dated as of May 18, 2004, and this Amendment.

(c) The Agreement is and shall continue to be in full force and effect and, except as specifically amended herein, is hereby ratified and confirmed.

(d) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of the Bank under the Agreement, or constitute a waiver of any provision of the Agreement.

SECTION 5. Costs and Expenses.

The County agrees to pay on receipt of an invoice all reasonable costs and expenses of the Bank (including an amendment fee of \$1,000 payable to the Bank) in connection with the preparation, reproduction, execution and delivery of this Amendment and the other instruments and documents to be delivered hereunder, including the reasonable fees and disbursements of counsel for the Bank.

SECTION 6. Execution in Counterparts.

This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument.

SECTION 7. Governing Law.

THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF WASHINGTON AND APPLICABLE LAWS OF THE UNITED STATES OF AMERICA; PROVIDED, HOWEVER, THE OBLIGATIONS OF THE BANK HEREUNDER SHALL BE GOVERNED BY AND

CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

SECTION 8. Headings.

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

SECTION 9. Effect on Notice of Optional Termination.

In connection with the execution of this Amendment, the Bank hereby rescinds its Notice of Optional Termination dated April 8, 2010, relating to the Agreement.

[Signatures appear on the following pages]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized with effect from the date first above written.

**LANDESBANK HESSEN-THÜRINGEN
GIROZENTRALE, NEW YORK BRANCH**

By: _____

Name: Peter Morse

Title: Senior Vice President

By: _____

Name:

Title:

KING COUNTY

By: _____
Name:
Title:

ANNEX 1

FORM OF NOTICE OF OPTIONAL TERMINATION

[Date]

The Bank of New York Mellon, as Registrar
101 Barclay Street, 21W
New York, New York 10286
Attention: Joann La Barbera,
Assistant Treasurer

King County
Department of Finance
Seattle, Washington 98104-1598
Attention:

\$50,000,000
King County Junior Lien Variable Rate
Demand Sewer Bonds, Series 2001A

Ladies and Gentlemen:

The undersigned duly authorized representatives of Landesbank Hessen-Thüringen Girozentrale, acting through its New York Branch (the "**Bank**"), in connection with its Irrevocable Letter of Credit No. HLG 28962, as amended (the "**Letter of Credit**") and its Reimbursement Agreement between King County, Washington and the Bank dated as of August 1, 2001, as amended by the Amendment to the Reimbursement Agreement dated as of May 18, 2004 and the Second Amendment to the Reimbursement Agreement dated as of June __, 2010 (the "**Reimbursement Agreement**"), hereby notify you that the Bank has elected to designate [August 10, 2012] [August 10, 2014] an Optional Expiration Date, within the meaning of the Reimbursement Agreement, on which it shall terminate the Available Commitment pursuant to Section 2.4 of the Reimbursement Agreement. The Optional Expiration Date is not less than 120 days after the date of this notice.

Very truly yours,

LANDESBANK HESSEN-THÜRINGEN
GIROZENTRALE, New York Branch

By: _____
Name:
Title:

By: _____
Name:
Title:

Acknowledged:

THE BANK OF NEW YORK MELLON

By: _____
Name:
Title:

Acknowledged:

KING COUNTY

By: _____
Name:
Title: