



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

July 8, 2013

Ordinance 17617

Proposed No. 2013-0262.1

Sponsors McDermott

1 AN ORDINANCE authorizing the issuance and sale of
2 multi-modal limited tax general obligation refunding bonds
3 in an original aggregate principal amount not to exceed
4 \$42,500,000 to obtain funds to refund, redeem and retire all
5 of the county's outstanding Multi-Modal Limited Tax
6 General Obligation Bonds, 2009, Series A; authorizing the
7 form, terms, maturity, and interest rate modes for the
8 bonds; authorizing the covenants and conditions under
9 which the bonds will be issued; and approving an
10 agreement to sell the bonds to Banc of America Preferred
11 Funding Corporation.

12 PREAMBLE:

13 The county has previously issued its Multi-Modal Limited Tax General
14 Obligation Bonds, 2009, Series A. The county has an opportunity to
15 refund, redeem and retire all or a portion of those bonds, thereby
16 modifying the covenants and other terms of the bonds to be refunded.

17 It is deemed necessary and advisable that the county now authorize the
18 issuance and sale of its multi-modal limited tax general obligation

19 refunding bonds in an original aggregate principal amount not to exceed
20 \$42,500,000 to undertake such refunding, redemption and retirement.

21 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

22 SECTION 1. Definitions. As used in this ordinance, the following terms and
23 phrases shall have the following meanings unless the context clearly indicates that
24 another meaning is intended (singular definitions herein shall be deemed to include the
25 plural thereof and vice versa):

26 "Accounts" means, collectively, the Remarketing Proceeds Account, County
27 Purchase Account and Liquidity Facility Purchase Account established within the
28 Purchase Fund.

29 "Affiliate" means, with respect to a specified Person, another Person that directly
30 or indirectly through one or more intermediaries, controls, or is controlled by or is under
31 common control with, the specified Person.

32 "Agreement" means, (a) during the Initial Period, the Continuing Covenant
33 Agreement between the county and Banc of America Preferred Funding Corporation,
34 dated the Date of Issue, as the same may be amended, supplemented, restated or
35 otherwise modified from time to time, and (b) during any Index Rate Period other than
36 the Initial Period, any agreement designated as such between the county and the Bank.

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

42 "Alternate Rate" means, on any Rate Determination Date, for any Mode, a rate
43 per annum equal to 110% of (a) the SIFMA Index most recently available as of the date
44 of determination, or (b) if such index is no longer available, or if the SIFMA Index is no
45 longer published, the S&P Weekly High Grade Index, or if neither the SIFMA Index nor
46 the S&P Weekly High Grade Index is published, the index determined to equal the
47 prevailing rate determined by the Remarketing Agent for tax-exempt state and local
48 government bonds meeting criteria determined in good faith by the Remarketing Agent to
49 be comparable under the circumstances to the criteria used by SIFMA to determine the
50 SIFMA Index just prior to when SIFMA stopped publishing the SIFMA Index. The
51 Registrar shall make the determinations required by this definition, upon notification
52 from the county, if there is no Remarketing Agent, if the Remarketing Agent fails to
53 make any such determination or if the Remarketing Agent has suspended its remarketing
54 efforts in accordance with the Remarketing Agreement; provided, however, that if neither
55 the SIFMA Index nor the S&P Weekly High Grade Index is available, the county shall
56 designate in writing the index for the Registrar to use.

57 "Applicable Factor" means during any Index Rate Period during which the Bonds
58 bear interest at the LIBOR Index Rate, 70%, or such other percentage as may be
59 established as the Applicable Factor for that Index Rate Period pursuant to Section
60 13.A.1 of this ordinance.

61 "Applicable Spread" means

62 (a) During the Initial Period, 47.5 basis points (0.475%), which Applicable
63 Spread is subject to the ratings assigned to the LTGO Debt (the "LTGO Rating") by
64 Moody's, S&P and Fitch, currently Aa1 by Moody's, AAA by S&P and AA+ by Fitch. If

65 any LTGO Rating is changed, the Applicable Spread will be determined as set forth in
 66 the following schedule; provided, that if there are LTGO Ratings assigned by multiple
 67 Rating Agencies and there is a split among such LTGO Ratings, the lowest LTGO Rating
 68 will prevail for purposes of determining the Applicable Spread; and provided further, that
 69 if Moody's, S&P or Fitch shall have downgraded its LTGO Rating to below "BBB-" (or
 70 its equivalent), "Baa3" (or its equivalent), or "BBB-" (or its equivalent), respectively, or
 71 suspended or withdrawn its rating, then the Applicable Spread shall not be determined
 72 and the Bonds shall bear interest at the Default Rate as set forth in Section 11.C.3 of this
 73 ordinance:

LTGO Ratings Assigned by Moody's / S&P / Fitch	Applicable Spread
AA+ / Aa1 / AA+ and above	0.475%
AA / Aa2 / AA	0.525%
AA- / Aa3 / AA-	0.575%
A+ / A1 / A+	0.675%
A / A2 / A	0.775%
A- / A3 / A-	0.875%
BBB+ / Baa1 / BBB+	1.025%
BBB / Baa2 / BBB	1.175%
BBB- / Baa3 / BBB-	1.325%
Below Investment Grade	Default Rate

Rating withdrawn or suspended	Default Rate
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74 References in this definition of Applicable Spread are to rating categories used by
 75 the Rating Agencies as of the Date of Issue, and in the event of the adoption of any new
 76 or changed rating system, including, without limitation, any recalibration or realignment
 77 of the LTGO Ratings in connection with the adoption of a "global" rating scale, the rating
 78 categories referred to above shall be deemed to refer to the rating categories under the
 79 new rating system that most closely approximates the requirements set forth herein.

80 Any change in the Applicable Spread shall apply to the Index Rate for the
 81 immediately succeeding Index Interest Period after any applicable LTGO Rating occurs.

82 (b) During any Index Rate Period other than the Initial Period, (1) the number of
 83 basis points determined by the Market Agent on or before the first day of such Index Rate
 84 Period and designated by the county in accordance with Section 13.A.1. of this ordinance
 85 (which may include a schedule for the Applicable Spread based upon the LTGO Ratings
 86 as described in clause (a) of this definition) that, when added to (x) the SIFMA Index or
 87 (y) the product of the LIBOR Index multiplied by the Applicable Factor (and multiplied
 88 by the Margin Rate Factor), as applicable, would equal the minimum interest rate per
 89 annum that would enable the Bonds to be sold on such date at a price equal to the
 90 principal amount thereof (without regard to accrued interest, if any, thereon), or (2) the
 91 number of basis points or schedule of basis points set forth in the applicable extension or
 92 replacement Agreement approved by the Finance Director pursuant to Section 36 of this
 93 ordinance.

94 "Authorized Denominations" means (a) with respect to Bonds in an Index Rate
 95 Mode, a Daily Mode or Weekly Mode, \$100,000 and any integral multiple of \$5,000 in

96 excess thereof, (b) with respect to Bonds in a Flexible Mode, \$100,000 and any integral
97 multiple of \$1,000 in excess thereof, and (c) with respect to Bonds in a Term Rate Mode
98 or a Fixed Rate Mode, \$5,000 and any integral multiple thereof.

99 "Automatic Termination Event" means an event of default set forth in a
100 Reimbursement Agreement between the county and a Liquidity Provider that would
101 result in the immediate and automatic termination or suspension of the Liquidity Facility
102 prior to its stated expiration date without prior notice from the Liquidity Provider to the
103 Registrar

104 "Available Amount" means the amount available under any Credit Enhancement
105 or Liquidity Facility, as applicable, to pay the principal of and interest on the Bonds
106 and/or the Purchase Price of the Bonds, as applicable.

107 "Bank" means, during any Index Rate Period:

108 (a) If the Bonds are not then held under a Book-Entry System, (1) the Owner of
109 the Bonds if there is only one Owner of all of the Bonds, or (2) the Owners owning a
110 majority of the aggregate principal amount of the Bonds then Outstanding if there is more
111 than one Owner of the Bonds; or

112 (b) If the Bonds are then held under a Book-Entry System, (1) the Beneficial
113 Owner of the Bonds if there is only one Beneficial Owner of all of the Bonds; or (2) the
114 Beneficial Owners who are the beneficial owners of a majority of the aggregate principal
115 amount of the Bonds then Outstanding if there is more than one Beneficial Owner of the
116 Bonds. The initial Bank is Banc of America Preferred Funding Corporation.

117 "Bank Purchase Date" means (a) during the Initial Period, the Initial Bank
118 Purchase Date, (b) during any other Index Rate Period, the date designated by the county

119 pursuant to Section 13.A.1. of this ordinance, and (c) during any Index Rate Period, the
120 date that is seven calendar days (or if that seventh calendar day is not a Business Day, the
121 next Business Day) after the date on which the Registrar receives written notice from the
122 Bank under the applicable Agreement advising the Registrar of the occurrence and
123 continuance of an Event of Default and directing the Registrar to cause a mandatory
124 tender of the Bonds (including any Unremarketed Index Rate Bonds) by reason of the
125 Event of Default.

126 "Beneficial Owner" means, when the Bonds are held in a Book-Entry System, any
127 Person who acquires a beneficial ownership interest in a Bond held by the Securities
128 Depository. When the Bonds are not held in a Book-Entry System, Beneficial Owner
129 means Owner for purposes of this ordinance.

130 "Bond Counsel" means any firm of nationally recognized municipal bond
131 attorneys selected by the county and experienced in the issuance of municipal bonds and
132 matters relating to the exclusion of the interest thereon from gross income for federal
133 income tax purposes.

134 "Bonds" means the King County, Washington, Multi-Modal Limited Tax General
135 Obligation Refunding Bonds, 2013, authorized to be issued in an original aggregate
136 principal amount not to exceed \$42,500,000 pursuant to Section 3 of this ordinance.

137 "Book-Entry System" means the system maintained by a Securities Depository
138 described in Section 3 of this ordinance.

139 "Business Day" means any business day other than (a) a Saturday or Sunday, (b) a
140 day on which the Bank, the Calculation Agent, the Registrar or the Remarketing Agent, if
141 any, are required or authorized to be closed, (c) a day on which the office of the Credit

142 Provider or Liquidity Provider, if any, at which it will pay draws or advances are required
143 or authorized to be closed, or (d) a day on which The New York Stock Exchange is
144 closed.

145 "Calculation Agent" means, (a) during the Initial Period, Bank of America, N.A,
146 and (b) during any other Index Rate Period, the Bank, the Registrar or any other Person
147 appointed by the county, with the Bank's consent, to serve as Calculation Agent for the
148 Bonds.

149 "Code" means the federal Internal Revenue Code of 1986, as amended, together
150 with corresponding and applicable regulations and revenue rulings issued or amended
151 with respect thereto by the United States Treasury Department or the Internal Revenue
152 Service.

153 "Conversion Date" means (a) with respect to the Bonds in a particular Mode, the
154 day on which another Mode for the Bonds begins, or (b) or, in the case of Index Rate
155 Bonds, an Index Rate Conversion Date.

156 "Conversion Notice" means the notice from the county to the other Notice Parties
157 of the county's intention to change the Mode with respect to the Bonds.

158 "County Bonds" means Bonds purchased with funds advanced by the county and
159 deposited into the County Purchase Account pursuant to Section 23.C. of this ordinance,
160 and held by the Registrar for and on behalf of the county or any nominee for (or any
161 Person who owns such Bonds for the sole benefit of) the county.

162 "County Purchase Account" means the account of that name established within
163 the Purchase Fund pursuant to Section 23 of this ordinance.

164 "Credit Enhancement" means any letter of credit, insurance policy, surety bond,
165 line of credit or other instrument, if any, that secures or guarantees the payment of
166 principal of and interest on the Bonds.

167 "Credit Provider" means any bank, insurance company, pension fund or other
168 financial institution that provides a Credit Enhancement or Alternate Credit Enhancement
169 for the Bonds.

170 "Current Mode" shall have the meaning specified in Section 13.A.1. of this
171 ordinance.

172 "Daily Mode" means the Mode during which the Bonds bear interest at the Daily
173 Rate.

174 "Daily Rate" means the per annum interest rate on any Bond in the Daily Mode
175 determined pursuant to Section 8.A. of this ordinance.

176 "Daily Rate Period" means the period during which a Bond in the Daily Mode
177 bears interest at a Daily Rate, which shall be from the Business Day upon which a Daily
178 Rate is set to, but excluding, the next succeeding Business Day.

179 "Date of Issue" means the date on which the Bonds are issued and delivered to the
180 Bank as the initial purchaser thereof in return for payment of the purchase price therefor.

181 "Default Rate" has the meaning set forth in the Agreement.

182 "Delayed Remarketing Period" has the meaning specified in Section 24.B. of this
183 ordinance.

184 "Determination of Taxability" means and shall be deemed to have occurred on the
185 first to occur of the following:

186 (a) The date when the county files any statement, supplemental statement or
187 other tax schedule, return or document that discloses that an Event of Taxability
188 has in fact occurred;

189 (b) The date when any current or former Owner or Beneficial Owner notifies the
190 county that it has received a written opinion by a nationally recognized firm of
191 attorneys of substantial expertise on the subject of tax-exempt municipal finance
192 to the effect that an Event of Taxability has occurred (the "Notification Date"),
193 unless (1) within 90 days after the Notification Date, the county delivers to such
194 Owner or Beneficial Owner written evidence that the county has requested a
195 ruling or determination letter from the Commissioner or any District Director of
196 the Internal Revenue Service (or any other governmental official exercising the
197 same or a substantially similar function from time to time) to the effect that, after
198 taking into consideration such facts as form the basis for the opinion that an Event
199 of Taxability has occurred, an Event of Taxability has not occurred, and (2) not
200 later than 180 days after the Notification Date, the county delivers to such Owner
201 or Beneficial Owner such ruling or determination letter to that effect;

202 (c) The date when the county is advised in writing by the Commissioner or any
203 District Director of the Internal Revenue Service (or any other government
204 official or agent exercising the same or a substantially similar function from time
205 to time) that, based upon filings of the county, or upon any review or audit of the
206 county or upon any other ground whatsoever, an Event of Taxability has
207 occurred; or

208 (d) The date when the county receives notice from any current or former Owner
209 or Beneficial Owner of a Bond that the Internal Revenue Service (or any other
210 government official or agency exercising the same or a substantially similar
211 function from time to time) has assessed as includable in the gross income of such
212 current or former Owner or Beneficial Owner the interest on the Bond due to the
213 occurrence of an Event of Taxability;

214 provided, however, that no Determination of Taxability shall occur under subparagraph
215 (c) or (d) above unless the county has been afforded the opportunity, at its expense, to
216 contest any such assessment, and, further, no Determination of Taxability shall occur
217 until such contest, if made, has been finally determined; and provided further, however,
218 that upon demand from the current or former Owner or Beneficial Owner, the county
219 shall promptly reimburse such Owner or Beneficial Owner for any payments, including
220 any taxes, interest, penalties or other charges, that such Owner or Beneficial Owner has
221 been obligated to make as a result of the Determination of Taxability.

222 "Direct DTC Participant" has the meaning set forth in the Letter of
223 Representations.

224 "DTC" means The Depository Trust Company, a limited purpose trust company
225 organized under the laws of the State of New York, and any successor thereto.

226 "DTC Participants" means those broker-dealers, banks and other financial
227 institutions for which DTC holds bonds or other securities as securities depository.

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

230 "Escrow Account" means the account of that name created in the Refunding Fund
231 pursuant to Section 27 of this ordinance.

232 "Escrow Agent" means the corporate trustee chosen to serve as such pursuant to
233 Sections 27 and 28 of this ordinance.

234 "Event of Default" has the meaning set forth in the Agreement.

235 "Event of Taxability" means (a) a change in law or fact or the interpretation
236 thereof, or the occurrence or existence of any fact, event or circumstance (including,
237 without limitation, any action of the county, or the county's failure to act, or the county's
238 making any misrepresentation herein or in any certificate required to be given in
239 connection with the issuance, sale or delivery of the Bonds) that has the effect of causing
240 interest paid or payable on the Bonds to become included, in whole or in part, in the gross
241 income of the current or former Owner or Beneficial Owner for federal income tax
242 purposes; or (b) the entry of any decree or judgment by a court of competent jurisdiction,
243 or the taking of any official action by the Internal Revenue Service or the Department of
244 the Treasury, which decree, judgment or action is final under applicable procedural law
245 and has the effect of causing interest paid or payable on the Bonds to become includable,
246 in whole or in part, in the gross income of a current or former Owner or Beneficial Owner
247 of a Bond for federal income tax purposes with respect to the Bonds.

248 "Excess Interest" has the meaning set forth in Section 11.C.4. of this ordinance.

249 "Expiration Date" means the stated expiration date of any Credit Enhancement or
250 Liquidity Facility, as it may be extended from time to time as provided in the Credit
251 Enhancement or in the Liquidity Facility or Reimbursement Agreement, as applicable, or

252 any earlier date on which the Credit Enhancement or the Liquidity Facility may terminate
253 at the direction of the county, expire or be cancelled.

254 "Favorable Opinion of Bond Counsel" means, with respect to any action the
255 occurrence of which requires such an opinion, an Opinion of Bond Counsel, which, in the
256 discretion of such Bond Counsel, may be based upon, and subject to the same exceptions
257 and qualifications as, the approving Opinion of Bond Counsel delivered in connection
258 with the original issuance of the Bonds, to the effect that the action proposed to be taken
259 is authorized or permitted by this ordinance and will not, in and of itself, result in the
260 inclusion of interest on the Bonds in gross income for federal income tax purposes.

261 "Finance Director" means the director of the finance and business operations
262 division of the department of executive services of the county or any other county officer
263 who succeeds to the duties now delegated to that office or the designee of such officer.

264 "Fiscal Agency Agreement" means the agreement of that name dated February 1,
265 2011, as amended, between the State of Washington and The Bank of New York Mellon,
266 and any amendments and supplements thereto and replacements thereof.

267 "Fitch" means Fitch Ratings, Inc., and its successors and assigns, except that if
268 such entity shall be dissolved or liquidated or shall no longer perform the functions of a
269 securities rating agency, then the term "Fitch" shall be deemed to refer to any other
270 nationally recognized securities rating agency selected by the county after consultation
271 with the Remarketing Agent.

272 "Fixed Rate" means the per annum interest rate on any Bond in the Fixed Rate
273 Mode determined pursuant to Section 10 of this ordinance.

274 "Fixed Rate Bond" means a Bond in the Fixed Rate Mode.

275 "Fixed Rate Mode" means the Mode during which the Bonds bear interest at the
276 Fixed Rate.

277 "Fixed Rate Period" means, for the Bonds in the Fixed Rate Mode, the period
278 from the Conversion Date upon which the Bonds were converted to the Fixed Rate Mode
279 to, but excluding, the Maturity Date for the Bonds.

280 "Flexible Mode" means the Mode during which the Bonds bear interest at the
281 Flexible Rate.

282 "Flexible Rate" means the per annum interest rate on a Bond in the Flexible Mode
283 determined for such Bond pursuant to Section 7 of this ordinance. The Bonds in the
284 Flexible Mode may bear interest at different Flexible Rates.

285 "Flexible Rate Bond" means a Bond in the Flexible Mode.

286 "Flexible Rate Period" means the period of from one to 270 calendar days (which
287 period must end on a day preceding a Business Day) during which a Flexible Rate Bond
288 shall bear interest at a Flexible Rate, as established by the Remarketing Agent pursuant to
289 Section 7 of this ordinance. The Bonds in the Flexible Mode may be in different Flexible
290 Rate Periods.

291 "Government Obligations" means "government obligations," as defined in chapter
292 39.53 RCW, as now in existence or hereafter amended.

293 "Index Interest Period" means (a) for an Index Rate Period during which the
294 Bonds bear interest at the LIBOR Index Rate, each LIBOR Interest Period during such
295 Index Rate Period; and (b) for an Index Rate Period during which the Bonds bear interest
296 at the SIFMA Index Rate, each SIFMA Index Interest Period during such Index Rate
297 Period.

298 "Index Rate" means the LIBOR Index Rate or the SIFMA Index Rate, as
299 applicable.

300 "Index Rate Bonds" means Bonds that bear interest at an Index Rate.

301 "Index Rate Conversion Date" means (a) the date on which the Bonds begin to
302 bear interest at an Index Rate, or (b) if the Bonds have previously borne interest at an
303 Index Rate during an Index Rate Period then ending, the Bank Purchase Date occurring at
304 the end of the then ending Index Rate Period.

305 "Index Rate Mode" means the Mode during which the Bonds bear interest at an
306 Index Rate.

307 "Index Rate Period" means (a) the Initial Period and (b) each period thereafter
308 from and including an Index Rate Conversion Date to but excluding the earliest of (1) the
309 immediately succeeding Bank Purchase Date, (2) the immediately succeeding Conversion
310 Date, or (3) the Maturity Date.

311 "Indirect DTC Participant" has the meaning set forth in the Letter of
312 Representations.

313 "Initial Bank Purchase Date" means the Interest Payment Date immediately
314 preceding the date that is three years after the Date of Issue.

315 "Initial Period" means the initial Index Rate Period commencing on the Date of
316 Issue and ending on the first to occur of (a) the Initial Bank Purchase Date, (b) the
317 Conversion Date next succeeding the Date of Issue (provided that the Bank shall have
318 consented thereto in writing), (c) the Maturity Date, or (d) a Bank Purchase Date of the
319 type described in clause (c) of the definition of Bank Purchase Date.

320 "Interest Accrual Period" means the period during which a Bond accrues interest
321 payable on the next Interest Payment Date applicable thereto. Each Interest Accrual
322 Period shall commence on and include the last Interest Payment Date to which interest
323 has been paid (or, if no interest has been paid, from the Date of Issue) and shall run to,
324 but exclude, the Interest Payment Date on which interest is to be paid. If, at the time of
325 authentication of any Bond, interest is in default or overdue on the Bonds, such Bond
326 shall bear interest from the date to which interest has previously been paid in full or made
327 available for payment in full on Outstanding Bonds.

328 "Interest Payment Date" means each date on which interest is to be paid and is:
329 (a) with respect to the Bonds in the Flexible Mode, each Mandatory Purchase Date
330 applicable thereto; (b) with respect to the Bonds in the Daily Mode, Weekly Mode or
331 Index Rate Mode, the first Business Day of each calendar month; (c) with respect to the
332 Bonds in a Term Rate Mode or a Fixed Rate Mode, the first day of the sixth calendar
333 month following the month in which such Term Rate Mode or Fixed Rate Mode takes
334 effect, and the first day of each sixth calendar month thereafter or, upon the receipt by the
335 Registrar of a Favorable Opinion of Bond Counsel, any other six-month interval chosen
336 by the county (beginning with the first such day which is at least three calendar months
337 after the Conversion Date) and, with respect to a Term Rate Period, the final day of the
338 current Interest Period if other than a regular six-month interval; (d) with respect to
339 Unremarketed Index Rate Bonds, the dates set forth in the Agreement for the payment of
340 interest on Unremarketed Index Rate Bonds; (e) (without duplication as to any Interest
341 Payment Date listed above) each Maturity Date; and (f) with respect to any Liquidity
342 Provider Bonds, the dates set forth in the Reimbursement Agreement.

343 "Interest Period" means, for the Bonds in a particular Mode, the period of time
344 that the Bonds bear interest at the rate per annum that becomes effective at the beginning
345 of such period, and includes a Flexible Rate Period, a Daily Rate Period, a Weekly Rate
346 Period, an Index Rate Period, a Term Rate Period and a Fixed Rate Period.

347 "Investor Letter" means an investment letter in substantially the form attached as
348 Attachment C to this ordinance.

349 "Issuance Costs Account" means the account of that name created in the
350 Refunding Fund pursuant to Section 27 of this ordinance.

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

354 "LIBOR Index" means the London interbank offered rate for U.S. dollar deposits
355 for a one-month period, which rate appears on the display designated Reuters Screen
356 LIBOR01 Page (or such other page as may replace Reuters Screen LIBOR01 Page or
357 such other service or services nominated by the British Bankers' Association for the
358 purposes of displaying London interbank offered rates for United States dollar deposits),
359 determined as of approximately 11:00 a.m., London time, on each Rate Determination
360 Date for effect on the next succeeding Interest Payment Date, or if that rate is not
361 available, another rate determined by the Calculation Agent of which the county has
362 received written notice.

363 "LIBOR Index Rate" means a per annum rate of interest, calculated on each Rate
364 Determination Date, equal to the product of (a) the sum of (1) the Applicable Spread plus

365 (2) the product of (i) the LIBOR Index multiplied by (ii) the Applicable Factor,
366 multiplied by (b) the Margin Rate Factor.

367 "LIBOR Index Rate Determination Date" means a Rate Determination Date
368 occurring while the Bonds bear interest at the LIBOR Index Rate.

369 "LIBOR Interest Period" means, for any Index Rate Period during which the
370 Bonds bear interest at the LIBOR Index Rate, the period from (and including) the Index
371 Rate Conversion Date to, but excluding, the next succeeding Interest Payment Date, and
372 thereafter each period from (and including) an Interest Payment Date, to but excluding,
373 the following Interest Payment Date.

374 "Liquidity Facility" means any letter of credit, line of credit, standby purchase
375 agreement or other instrument then in effect that provides for the payment of the
376 Purchase Price of Bonds upon the tender thereof if remarketing proceeds are insufficient
377 therefor.

378 "Liquidity Facility Purchase Account" means the account of that name established
379 within the Purchase Fund pursuant to Section 23 of this ordinance.

380 "Liquidity Provider" means any bank, insurance company, pension fund or other
381 financial institution that provides a Liquidity Facility or Alternate Liquidity Facility for
382 the Bonds.

383 "Liquidity Provider Bonds" means any Bonds purchased by a Liquidity Provider
384 with funds drawn on or advanced under a Liquidity Facility and deposited into the
385 Liquidity Facility Purchase Account pursuant to Section 23.B, of this ordinance.

386 "Liquidity Provider Rate" means the rate per annum borne by any Liquidity
387 Provider Bonds, determined in accordance with any Liquidity Facility then in effect.

388 "London Business Day" means any Business Day on which commercial banks are
389 open for business in London, England.

390 "Long-Term Mode" means an Index Rate Mode, a Term Rate Mode or a Fixed
391 Rate Mode.

392 "LTGO Debt" means limited tax general obligation debt of the county, the
393 payment of which is secured by the full faith and credit of the county including, without
394 limitation, debt secured by the legal obligation of the county to levy and collect *ad*
395 *valorem* taxes within the constitutional and statutory limitations provided by law without
396 a vote of the people upon all the property within the county subject to taxation.

397 "Mandatory Purchase Date" means: (a) for a Flexible Rate Bond, the first
398 Business Day following the last day of each Flexible Rate Period for that Bond; (b) for
399 Bonds in the Term Rate Mode, the first Business Day following the last day of each Term
400 Rate Period; (c) any Conversion Date; (d) any Substitution Date; (e) the fifth Business
401 Day prior to any Expiration Date (other than as a result of an Automatic Termination
402 Event); (f) the date specified by the Registrar following the occurrence of an event of
403 default (other than an Automatic Termination Event) under the Reimbursement
404 Agreement, which date shall be a Business Day not more than 25 nor less than 20 days
405 after the Registrar's receipt of written notice of such event of default from the Credit
406 Provider or the Liquidity Provider and in no event later than the day preceding the
407 termination date specified by the Credit Provider or the Liquidity Provider; (g) the date
408 specified by the Registrar following receipt of notice by the Registrar from the Credit
409 Provider that the Credit Enhancement will not be reinstated following a drawing to pay
410 interest on the Bonds (other than interest on Bonds no longer Outstanding after such

411 drawing), which date shall be a Business Day not more than five days after the Registrar's
412 receipt of such notice; (h) for Bonds in the Daily Mode or Weekly Mode, any Business
413 Day specified by the county not less than 20 days after the Registrar's receipt of such
414 notice and in no event later than the day preceding the Expiration Date; and (i) a Bank
415 Purchase Date.

416 "Margin Rate Factor" means the greater of (a) 1.0 or (b) (A) 1.0 minus the
417 Maximum Federal Corporate Tax Rate multiplied by (B) 1.53846. The effective date of
418 any change in the Margin Rate Factor is the effective date of the decrease or increase (as
419 applicable) in the Maximum Federal Corporate Tax Rate resulting in that change.

420 "Market Agent" means any Person appointed by the county to serve as market
421 agent in connection with a conversion to an Index Rate Period.

422 "Maturity Date" means June 1, 2029, and, if established pursuant to Section
423 13.B.5, of this ordinance upon a change to the Fixed Rate Mode, any Serial Maturity
424 Date.

425 "Maximum Federal Corporate Tax Rate" means the maximum rate of income
426 taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect from
427 time to time (or, if as a result of a change in the Code, the rate of income taxation
428 imposed on corporations generally is not applicable to the Bank, the maximum statutory
429 rate of federal income taxation that could apply to the Bank).

430 "Maximum Rate" means (a) with respect to all Bonds other than Liquidity
431 Provider Bonds, Index Rate Bonds, Unremarketed Bonds and Unremarketed Index Rate
432 Bonds, a rate of interest equal to the lesser of (1) 15% per annum or (2) the per annum
433 interest rate used to calculate the Available Amount under the Liquidity Facility, (b) with

434 respect to Liquidity Provider Bonds, the rate specified in the Reimbursement Agreement,
435 and (c) with respect to Index Rate Bonds and Unremarketed Index Rate Bonds, the rate
436 specified as the "Maximum Interest Rate" in the applicable Agreement. In no event shall
437 such rate(s) exceed the highest rate allowed by law.

438 "Mode" means, as the context may require, the Flexible Mode, the Daily Mode,
439 the Weekly Mode, the Index Rate Mode, the Term Rate Mode or the Fixed Rate Mode.

440 "Moody's" means Moody's Investors Service, Inc., and its successors and assigns,
441 except that if such entity shall be dissolved or liquidated or shall no longer perform the
442 functions of a securities rating agency, then the term "Moody's" shall be deemed to refer
443 to any other nationally recognized securities rating agency selected by the county after
444 consultation with the Remarketing Agent.

445 "MSRB" means the Municipal Securities Rulemaking Board or any successor to
446 its functions.

447 "New Mode" shall have the meaning specified in Section 13.A, of this ordinance.

448 "Notice Parties" means the county, the Bank, if any, the Registrar, the
449 Remarketing Agent, if any, the Credit Provider, if any, and the Liquidity Provider, if any.

450 "Opinion of Bond Counsel" means an opinion in writing of Bond Counsel.

451 "Opinion of Counsel" means an opinion in writing of a lawyer admitted to
452 practice in any state of the United States.

453 "Outstanding," when used as of a particular time with reference to Bonds, means
454 all Bonds delivered hereunder except: (a) Bonds cancelled by the Registrar or
455 surrendered to the Registrar for cancellation; (b) Bonds paid or deemed to have been paid
456 within the meaning of this ordinance; and (c) Bonds in lieu of or in substitution for which

457 replacement Bonds have been executed by the county and delivered by the Registrar
458 hereunder; provided, that notwithstanding the foregoing, Liquidity Provider Bonds shall
459 remain Outstanding until the Liquidity Provider is paid all amounts due on such Bonds.

460 "Owner" means, with respect to any Bond, the registered owner of such Bond,
461 including the Securities Depository, if any, or its nominee.

462 "Person" means a natural person, corporation, association, partnership, limited
463 liability company, joint venture, trust, organization, business or government or any
464 governmental agency or political subdivision thereof.

465 "Principal Office" means, with respect to the Registrar, the designated office of
466 the Registrar indicated in Section 39.A, of this ordinance; or such other or additional
467 offices as may be specified to the county by the Registrar.

468 "Principal Payment Date" means any date upon which the principal amount of
469 Bonds is due hereunder, including the Maturity Date, any Serial Maturity Date, any
470 Redemption Date, or the date the maturity of any Bond is accelerated pursuant to the
471 terms hereof or otherwise.

472 "Purchase Date" means (a) for a Bond in the Daily Mode or the Weekly Mode,
473 any Business Day selected by the Beneficial Owner of said Bond pursuant to the
474 provisions of Section 15 of this ordinance, and (b) any Mandatory Purchase Date.

475 "Purchase Fund" means the fund of that name established pursuant to Section 23
476 of this ordinance.

477 "Purchase Price" means an amount equal to the principal amount of any Bonds
478 purchased on any Purchase Date, plus accrued interest to the Purchase Date (unless the

479 Purchase Date is an Interest Payment Date, in which case the Purchase Price shall not
480 include accrued interest, which shall be paid in the normal course).

481 "Purchaser Rate" has the meaning set forth in the Agreement.

482 "Rate Determination Date" means any date on which the interest rate on Bonds is
483 determined, which, (a) in the case of the Flexible Mode, shall be the first day of an
484 Interest Period; (b) in the case of the Daily Mode, shall be each Business Day
485 commencing with the first day (which must be a Business Day) the Bonds become
486 subject to the Daily Mode; (c) in the case of the Weekly Mode, shall be (1) initially, each
487 Tuesday or, if Tuesday is not a Business Day, then the Business Day next succeeding
488 such Tuesday or such other day as may be established pursuant to Section 8.B, of this
489 ordinance, and (2) not later than the Business Day preceding a Conversion Date, a
490 Substitution Date or a Mandatory Purchase Date specified in clause (h) of the definition
491 of Mandatory Purchase Date; (d) in the case of the Term Rate Mode, shall be a Business
492 Day no earlier than 15 Business Days and no later than the Business Day next preceding
493 the first day of an Interest Period, as determined by the Remarketing Agent; (e) in the
494 case of the Index Rate Mode, shall be, (A) for Bonds bearing interest at the LIBOR Index
495 Rate, the second London Business Day before the first day of each LIBOR Interest
496 Period, and (B) for Bonds bearing interest at the SIFMA Index Rate, the Wednesday
497 preceding each SIFMA Index Interest Period, unless Wednesday is not a Business Day
498 and then the preceding Business Day; and (f) in the case of the Fixed Rate Mode, shall be
499 a date determined by the Remarketing Agent which shall be at least one Business Day
500 prior to the Conversion Date.

501 "Rating Agency" means (a) Moody's, S&P or Fitch, as applicable; or (b) if any of
502 Moody's, S&P or Fitch does not furnish a rating on the Bonds, then each such nationally
503 recognized rating agency then rating the Bonds.

504 "Rating Confirmation Notice" means a notice from Moody's, S&P or Fitch, as
505 applicable, confirming that the rating on the Bonds will not be lowered or withdrawn
506 (other than a withdrawal of a short-term rating upon a change to a Long-Term Mode) as a
507 result of the action proposed to be taken.

508 "Rebate Amount" means the amount, if any, determined to be payable with
509 respect to the Bonds by the county to the United States of America in accordance with
510 Section 148(f) of the Code.

511 "Record Date" means (a) with respect to Bonds in a Short-Term Mode or an Index
512 Rate Mode, the last Business Day before an Interest Payment Date; and (b) with respect
513 to Bonds in a Long-Term Mode (excepting in an Index Rate Mode), the 15th day
514 (whether or not a Business Day) of the month next preceding each Interest Payment Date.

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

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

519 "Refunding Fund" means the special fund established pursuant to Section 27 of
520 this ordinance for the refunding of the 2009A Bonds and the payment of costs and
521 expenses incurred in issuing the Bonds.

522 "Register" means the registration books maintained by the Registrar for purposes
523 of identifying ownership of the Bonds.

524 "Registrar" means, initially, the fiscal agency of the State of Washington in New
525 York, New York, or any successor Registrar appointed pursuant to Section 32.B, of this
526 ordinance.

527 "Reimbursement Agreement" means any reimbursement agreement, credit
528 agreement, line of credit agreement, standby purchase agreement or other agreement, by
529 and between the county and a Credit Provider or Liquidity Provider.

530 "Remarketing Agent" means any investment banking firm appointed as provided
531 in Section 33 of this ordinance.

532 "Remarketing Agreement" means any agreement between the county and a
533 Remarketing Agent, as it may be amended or supplemented from time to time in
534 accordance with its terms.

535 "Remarketing Proceeds Account" means the account of that name established
536 within the Purchase Fund pursuant to Section 23 of this ordinance.

537 "Rule" means the Securities and Exchange Commission Rule 15c2-12 under the
538 Securities Exchange Act of 1934, as amended.

539 "S&P" means Standard & Poor's Ratings Services, a Standard & Poor's Financial
540 Services LLC business, and its successors and assigns, except that if such entity shall be
541 dissolved or liquidated or shall no longer perform the functions of a securities rating
542 agency, then the term "S&P" shall be deemed to refer to any other nationally recognized
543 securities rating agency selected by the county after consultation with the Remarketing
544 Agent, if any.

545 "S&P Weekly High Grade Index" means, for a Rate Determination Date, the level
546 of the "S&P Weekly High Grade Index" (formerly known as the J.J. Kenny Index)

547 maintained by Standard and Poor's Securities Evaluations Inc. for a one-week maturity as
548 published each Wednesday, or if any Wednesday is not a Business Day, on the next
549 succeeding Business Day.

550 "Securities Depository" means DTC or such other securities depository as the
551 county may designate in a certificate of the county delivered to the Registrar if the Bonds
552 are to be held in a Book-Entry System.

553 "Serial Bonds" means the Bonds maturing on the Serial Maturity Dates, as
554 determined pursuant to Section 13.B. of this ordinance.

555 "Serial Maturity Dates" means the dates on which the Serial Bonds mature, as
556 determined pursuant to Section 13.B. of this ordinance.

557 "Serial Payments" means the payments to be made in payment of the principal of
558 the Serial Bonds on the Serial Maturity Dates.

559 "Short-Term Mode" means the Daily Mode, the Weekly Mode or the Flexible
560 Mode.

561 "SIFMA" means the Securities Industry and Financial Markets Association
562 (formerly the Bond Market Association).

563 "SIFMA Index" means, for any day, the most recently published level of the
564 index that SIFMA (a) compiles from the weekly interest rate resets of tax-exempt (or
565 taxable, if necessitated by a change in law) variable rate demand obligations included in a
566 database maintained by Municipal Market Data, which issues meet specific criteria that
567 SIFMA establishes from time to time, and (b) publishes on Wednesday of each week, or
568 if any Wednesday is not a Business Day, the next succeeding Business Day. If the
569 SIFMA Index is no longer published, then "SIFMA Index" shall mean the S&P Weekly

570 High Grade Index. If the S&P Weekly High Grade Index is no longer published, then
571 "SIFMA Index" shall mean the prevailing rate determined in good faith by the
572 Calculation Agent for tax-exempt state and local government bonds meeting criteria
573 determined in good faith by the Calculation Agent to be comparable under the
574 circumstances to the criteria used by SIFMA to determine the SIFMA Index immediately
575 prior to the date on which SIFMA ceased publication of the SIFMA Index or Standard &
576 Poor's Securities Evaluations Inc. ceased publication of the S&P Weekly High Grade
577 Index, as applicable.

578 "SIFMA Index Interest Period" means (a) for the Initial Period, the period from
579 (and including) the Date of Issue to, but excluding, the next succeeding Thursday and
580 thereafter each period from Thursday to, but excluding, the following Thursday, and (b)
581 for any subsequent Index Rate Period during which the Bonds bear interest at the SIFMA
582 Index Rate, the period from (and including) the Index Rate Conversion Date to, but
583 excluding, the next succeeding Thursday and thereafter each period from Thursday to,
584 but excluding, the following Thursday.

585 "SIFMA Index Rate" means a per annum rate of interest, calculated on each Rate
586 Determination Date, equal to the sum of (a) the Applicable Spread plus (b) the SIFMA
587 Index.

588 "Substitution Date" means the date upon which an Alternate Credit Enhancement
589 or Alternate Liquidity Facility is scheduled to be substituted for the Credit Enhancement
590 or Liquidity Facility then in effect.

591 "Taxable Date" means the date as of which interest on the Bonds is first
592 includable in gross income of the Owners or Beneficial Owners of the Bonds (including,

593 without limitation, any previous Owner or Beneficial Owner) thereof as a result of an
594 Event of Taxability as such a date is established pursuant to a Determination of
595 Taxability.

596 "Taxable Rate" means:

597 (a) For any date on which the SIFMA Index is based upon tax-exempt variable
598 rate demand obligations, an interest rate per annum at all times equal to the product of the
599 Purchaser Rate (with respect to Unremarketed Index Rate Bonds) or the SIFMA Index
600 Rate (in all other cases) then in effect multiplied by 1.54; or

601 (b) For any date on which the SIFMA Index is based upon taxable variable rate
602 demand obligations, an interest rate per annum at all times equal to (1) the product of the
603 Purchaser Rate (with respect to Unremarketed Index Rate Bonds) then in effect
604 multiplied by 1.54, or (2) the sum of (A) the product of the Applicable Spread then in
605 effect multiplied by 1.54 and (B) the SIFMA Index then in effect.

606 "Tax Certificate" means the certificate executed by the Finance Director
607 pertaining to the county's expectations in connection with the federal tax treatment of
608 interest on the Bonds

609 "Tender Notice" means a notice delivered by Electronic Means or in writing that
610 states (a) the principal amount of Bonds to be purchased pursuant to Section 15 of this
611 ordinance, (b) the Purchase Date on which those Bonds are to be purchased, (c)
612 applicable payment instructions with respect to the Bonds being tendered for purchase,
613 and (d) an irrevocable demand for such purchase.

614 "Tender Notice Deadline" means (a) during the Daily Mode, 11:00 a.m. on any
615 Business Day and (b) during the Weekly Mode, 5:00 p.m. on the Business Day seven
616 days prior to the applicable Purchase Date.

617 "Term Rate" means the per annum interest rate for the Bonds in the Term Rate
618 Mode determined pursuant to Section 9 of this ordinance.

619 "Term Rate Mode" means the Mode during which the Bonds bear interest at the
620 Term Rate.

621 "Term Rate Period" means the period from (and including) the Conversion Date
622 or the Date of Issue, as applicable, to (but excluding) the last day of the first period that
623 the Bonds shall be in the Term Rate Mode as established by the county for the Bonds
624 pursuant to Section 13.A.1. of this ordinance and, thereafter, the period from (and
625 including) the beginning date of each successive Interest Period selected for the Bonds by
626 the county pursuant to Section 9 of this ordinance while it is in the Term Rate Mode to
627 (but excluding) the commencement date of the next succeeding Interest Period, including
628 another Term Rate Period. Except as otherwise provided in this ordinance, an Interest
629 Period for the Bonds in the Term Rate Mode must be at least 180 days in length.

630 "2009A Bond Legislation" means the 2009A Bond Ordinance and Motion 12927
631 of the county council.

632 "2009A Bond Ordinance" means county Ordinance 14167, as amended by county
633 Ordinances 14463, 14745, 14992, 15285, 15604 and 16361.

634 "2009A Bond Registrar" means the fiscal agency of the State of Washington in
635 New York, New York, in its capacity as registrar for the 2009A Bonds, or any successor
636 registrar therefor appointed pursuant to the 2009A Bond Ordinance.

637 "2009A Bonds" means the King County, Washington Multi-Modal Limited Tax
638 General Obligation Bonds, 2009, Series A, dated February 26, 2009.

639 "Unremarketed Bonds" means Bonds other than Index Rate Bonds that cannot be
640 remarketed on a Mandatory Purchase Date.

641 "Unremarketed Bonds Rate" means the Maximum Rate, provided that in no event
642 shall this rate exceed the highest rate allowed by law.

643 "Unremarketed Index Rate Bonds" means Index Rate Bonds with respect to
644 which the Bank has not received payment of the Purchase Price, if any, on the applicable
645 Bank Purchase Date.

646 "Weekly Mode" means the Mode during which the Bonds bear interest at the
647 Weekly Rate.

648 "Weekly Rate" means the per annum interest rate on the Bonds in the Weekly
649 Mode determined pursuant to Section 8.B. of this ordinance.

650 "Weekly Rate Period" means the period during which a Bond in the Weekly
651 Mode bears a Weekly Rate, which shall be the period commencing on the day following
652 the Rate Determination Date of each week to and including the Rate Determination Date
653 of the following week, except (a) in connection with a conversion to the Weekly Rate, in
654 which case the first Weekly Rate Period shall be from the Conversion Date to and
655 including the Rate Determination Date of the following week; (b) in the case of a
656 Substitution Date or Mandatory Purchase Date specified in clause (h) of the definition of
657 Mandatory Purchase Date, in which case the Weekly Rate Period prior to the Substitution
658 Date or such Mandatory Purchase Date shall end on the day before the Substitution Date
659 or such Mandatory Purchase Date and a new Weekly Rate Period shall commence on the

660 Substitution Date or such Mandatory Purchase Date and end on the Rate Determination
661 Date of the following week; and (c) in connection with a conversion from the Weekly
662 Mode, the last Weekly Rate Period shall end on the day next preceding the Conversion
663 Date.

664 SECTION 2. Interpretation.

665 A. Section References. All references to Section numbers that do not specify the
666 document to which such Section numbers relate shall be deemed to refer to Section
667 numbers in this ordinance.

668 B. New York City Time. Whenever in this ordinance there is specified a time of
669 day at or by which a certain action must be taken, such time shall be local time in New
670 York City, except as otherwise specifically provided in this ordinance.

671 C. Performance on Business Days. If the date for making any payment or the last
672 day for the performance of any act or the exercise of any right provided in this ordinance
673 is not a Business Day, the payment may be made or act performed or right exercised on
674 the next succeeding Business Day with the same force and effect as if done on the
675 nominal date provided in this ordinance, except as otherwise specifically provided herein.

676 SECTION 3. Authorization, Delivery and Registration.

677 A. Purpose and Authorization of Bonds. The county authorizes the issuance of
678 the Bonds to obtain funds to refund, redeem and retire all of the county's outstanding
679 2009A Bonds, and to pay the incidental costs and costs related to the sale and issuance of
680 the Bonds.

681 B. Description. The Bonds will be designated "King County, Washington, Multi-
682 Modal Limited Tax General Obligation Refunding Bonds, 2013," and will be issued in an

683 original aggregate principal amount not to exceed \$42,500,000. The Bonds will be dated
684 the date of their authentication and delivery to the Bank and will bear interest at the
685 applicable rate or rates during each applicable Interest Accrual Period until the entire
686 principal amount of the Bonds has been paid. The Bonds will mature on the Maturity
687 Date and be subject to mandatory redemption prior to maturity without premium in the
688 amounts and in the manner set forth in the Agreement.

689 The Bonds will be issued initially in the Index Rate Mode and shall bear interest
690 at the SIFMA Index Rate from (and including) the Date of Issue to, but excluding, the
691 Initial Bank Purchase Date and may be converted to another Mode (including a
692 subsequent Index Rate Mode) as provided herein. The initial SIFMA Index Rate on the
693 Bonds shall be determined on the Wednesday preceding the Date of Issue by the
694 Calculation Agent with notice to the county. Thereafter, the interest rate to be applicable
695 to the Bonds shall be determined as provided in Section 11.B. and C. of this ordinance
696 until the Mode for the Bonds is changed, as provided herein.

697 C. Registration Covenant; Registrar. The county covenants that, until all Bonds
698 have been surrendered and canceled, it will maintain a system for recording the
699 ownership of each Bond that complies with the provisions of Section 149 of the Code.
700 The county hereby adopts for the Bonds the system of registration specified and approved
701 by the Washington State Finance Committee. The Registrar shall keep, or cause to be
702 kept, at its corporate trust office, sufficient books for the registration and transfer of the
703 Bonds, which shall at all times be open to inspection by the county. Such Register shall
704 contain the name and mailing address of the Owner (or nominee thereof) of each Bond,
705 and the principal amount and number of Bonds held by each Owner or nominee. So long

706 as any Bonds remain Outstanding, the Registrar shall make all necessary provisions to
707 permit the exchange or registration of transfer of Bonds at its principal corporate trust
708 office. The Registrar is authorized, on behalf of the county, to authenticate and deliver
709 Bonds transferred or exchanged in accordance with the provisions of the Bonds and this
710 ordinance and to carry out all of the Registrar's powers and duties under this ordinance.
711 The Registrar shall be responsible for its representations contained in the Certificate of
712 Authentication on the Bonds.

713 D. Initial Registration. The Bonds shall be registered initially in the name of
714 Cede & Co., as the nominee of DTC, which is hereby designated as the initial Securities
715 Depository for the Bonds, with one Bond in a denomination corresponding to the total
716 principal amount of the Bonds designated to mature on the Maturity Date.

717 E. Initial Immobilization of Bonds; Depository Provisions. The Bonds shall
718 initially be held in fully immobilized form by DTC acting as Securities Depository
719 pursuant to the Letter of Representations, which shall govern the arrangements for
720 registering, paying and transferring interests in the Bonds. The county and the Registrar
721 will have no responsibility or obligation to DTC Participants or the persons for whom
722 they act as nominees with respect to the accuracy of any records maintained by DTC or
723 any DTC Participant as to the Bonds, the payment by DTC or any DTC Participant of any
724 amount in respect of the principal or redemption price of or interest on the Bonds, any
725 notice that is permitted or required to be given to Owners under this ordinance (except
726 any such notices as must be given by the county to the Registrar or to DTC), the selection
727 by DTC or by any DTC Participant of any person to receive payment in the event of a

728 partial redemption of the Bonds, or any consent given or other action taken by DTC as
729 the Owner of the Bonds.

730 While the Bonds are held under a Book-Entry System, transfers of beneficial
731 ownership will be effected pursuant to rules and procedures established by the Securities
732 Depository; provided, that transfers of Index Rate Bonds and Unremarketed Index Rate
733 Bonds are further restricted, as provided in this Section 11.E. of this ordinance and in the
734 Agreement. Specifically, while the Bonds are held by DTC in a Book-Entry System,
735 purchases of the Bonds, in Authorized Denominations, may be made through brokers and
736 dealers, who must be or act through DTC Participants. Registered ownership of such
737 immobilized Bonds, or any portions thereof, may not thereafter be transferred except (i)
738 to any successor Securities Depository or its nominee, provided that any such successor
739 must be qualified under any applicable laws to provide the service proposed to be
740 provided by it; (ii) to any substitute Securities Depository appointed by the county
741 pursuant to Section 3.F. of this ordinance; or (iii) to any person as provided in Section
742 3.H. of this ordinance.

743 F. Substitute Depository. Upon the resignation of DTC or its successor (or any
744 substitute Securities Depository or its successor) from its functions as Securities
745 Depository or a determination by the county that it is no longer in the best interests of
746 owners of beneficial interests in the Bonds to continue the system of book-entry transfers
747 through DTC or its successor (or any substitute Securities Depository or its successor),
748 the county may appoint a substitute Securities Depository or terminate the use of a
749 Securities Depository. Any such substitute Securities Depository must be qualified under
750 any applicable laws to provide the services proposed to be provided by it.

751 G. Issuance of New Bonds to Successor/Substitute Securities Depository. In the
752 case of any transfer pursuant to clause (i) or (ii) of Section 3.E. of this ordinance, the
753 Registrar will, upon receipt of all Outstanding Bonds, together with a written request on
754 behalf of the county, issue a single new Bond registered in the name of such successor or
755 such substitute Securities Depository, or its nominee, as the case may be, all as specified
756 in the written request of the county.

757 H. Termination of Book-Entry System; Transfer or Exchange of Certificated
758 Bonds. If (i) a Securities Depository resigns and no substitute Securities Depository can
759 be obtained, or (ii) the Finance Director determines that it is in the best interests of the
760 county or the Beneficial Owners of the Bonds that they be able to obtain bond
761 certificates, the ownership of the Bonds may then be transferred to any person or entity as
762 herein provided, and the Bonds will no longer be held in a Book-Entry System. The
763 county will deliver a written request to the Registrar, together with a supply of definitive
764 Bonds, to issue Bonds as herein provided in any Authorized Denomination. Upon receipt
765 of all then Outstanding Bonds by the Registrar, together with a written request on behalf
766 of the county to the Registrar, new Bonds will be issued in such denominations and
767 registered in the names of such persons as are specified in such written request.

768 Whenever the Bonds are not held in a Book-Entry System, the transfer of
769 ownership of any Bond may be registered and such Bonds may be exchanged, but no
770 transfer of any Bond will be valid unless it is surrendered to the Registrar with the
771 assignment form appearing on the Bond duly executed by the Owner or the Owner's duly
772 authorized agent in a manner satisfactory to the Registrar. Upon surrender, the Registrar
773 will cancel the surrendered Bond and authenticate and deliver, without charge to the

774 Owner or transferee therefor, a new Bond (or Bonds at the option of the new Owner) of
775 the same date and Maturity Date and for the same aggregate principal amount in any
776 Authorized Denomination, naming as Owner the person or persons listed as the assignee
777 on the assignment form appearing on the surrendered Bond, in exchange for the
778 surrendered and canceled Bond. Any Bond may be surrendered to the Registrar and
779 exchanged, without charge, for an equal aggregate principal amount of Bonds of the same
780 date and Maturity Date in any Authorized Denomination. Other than in connection with
781 an optional or mandatory tender for purchase, the Registrar is not obligated to transfer or
782 exchange any Bond during the 15-day period prior to the selection of Bonds for
783 redemption or the Maturity Date or following any publication of notice of redemption.
784 No charge will be imposed upon Owners in connection with any transfer or exchange,
785 except for taxes or governmental charges related thereto.

786 SECTION 4. Denominations, Method of Payment, Authentication, and Form of
787 Bonds.

788 A. Registered Ownership. The Bonds shall be issued in the form of fully
789 registered Bonds in Authorized Denominations. Except as may be specifically set forth
790 herein, the Registrar, the Remarketing Agent, if any, and the county may treat the Owner
791 (including a Securities Depository or its nominee, if the Bonds are held in a Book-Entry
792 System) of a Bond as the absolute owner thereof for all purposes, and the county, the
793 Registrar and the Remarketing Agent, if any, will not be affected by any knowledge or
794 notice to the contrary; and payment of the principal of and premium, if any, and interest
795 on such Bond will be made only to such Owner, which payments shall be valid and
796 effectual to satisfy and discharge the liability of such Bond to the extent of the sum or

797 sums so paid. All Bonds at maturity or on earlier redemption paid pursuant to the
798 provisions of this Section 4 of this ordinance shall be cancelled by the Registrar.

799 B. Method of Payment of Bonds. The principal of and premium, if any, and
800 interest on the Bonds shall be payable in lawful money of the United States of America.
801 Unless otherwise provided in any writing with or from the Securities Depository, if any,
802 the interest on the Bonds shall be paid by the Registrar on each Interest Payment Date by
803 wire transfer of immediately available funds to an account specified by the Owner in an
804 instrument in writing delivered to the Registrar. Any such specified account shall remain
805 in effect until revised by such Owner by an instrument in writing delivered to the
806 Registrar. The principal of each Bond shall be payable on the Principal Payment Date,
807 upon surrender thereof at the Principal Office of the Registrar.

808 C. Form of Bonds; Execution. The Bonds shall each be in substantially the form
809 set forth in Attachment A to this ordinance, with appropriate or necessary insertions,
810 depending upon the omissions and variations as permitted or required hereby.

811 The Bonds shall be executed on behalf of the county by the manual or facsimile
812 signatures of the county executive and the clerk of the county council, and the official
813 seal of the county shall be impressed, imprinted or reproduced thereon. The validity of
814 any Bond so executed will not be affected by the fact that one or more of the officers
815 whose signatures appear on that Bond have ceased to hold office at the time of issuance
816 or authentication or at any time thereafter.

817 D. Authentication. No Bond shall be valid for any purpose hereunder until the
818 certificate of authentication printed thereon is duly executed by the manual signature of

819 an authorized signatory of the Registrar. Such authentication shall be proof that the
820 Owner is entitled to the benefit of the trusts hereby created.

821 E. Lost, Mutilated or Destroyed Bonds. If any Bond becomes mutilated, the
822 Registrar shall authenticate and deliver a new Bond of like amount, date, interest rate and
823 tenor in exchange and substitution for the Bond so mutilated, upon the owner's paying the
824 expenses and charges of the county and the Registrar in connection therewith and upon
825 surrender to the Registrar of the Bond so mutilated. Every mutilated Bond so
826 surrendered shall be canceled and destroyed by the Registrar.

827 If any Bond is lost, stolen or destroyed, the Registrar may authenticate and deliver
828 a new Bond of like amount, date, and tenor to the Owner thereof upon the Owner's
829 paying the expenses and charges of the county and the Registrar in connection therewith
830 and upon filing with the Registrar evidence satisfactory to the Registrar that the Bond
831 was actually lost, stolen or destroyed and of his or her ownership thereof, and upon
832 furnishing the county and the Registrar with indemnity satisfactory to the Finance
833 Director and the Registrar.

834 SECTION 5. Payment of Interest and Principal; Acceptance of Terms and
835 Conditions.

836 A. Payment of Interest and Principal. The interest on the Bonds shall become
837 due and payable on the Interest Payment Dates in each year to and including the Maturity
838 Date, and on each Redemption Date; provided, that while any Bonds are Liquidity
839 Provider Bonds, they will bear interest at the applicable Liquidity Provider Rate,
840 computed in the manner and payable at the times and in the amounts required under the
841 Liquidity Facility; and provided further, that while any Bonds are Unremarketed Index

842 Rate Bonds, they will bear interest at the applicable Purchaser Rate, computed in the
843 manner and payable at the times and in the amounts required under the Agreement. The
844 interest on each Bond will be paid on each Interest Payment Date for that Bond for
845 unpaid interest accrued during the Interest Accrual Period to the Owner of record of that
846 Bond on the applicable Record Date. The principal of the Bonds shall be paid on the
847 Principal Payment Dates.

848 B. Acceptance of Terms and Conditions. By the acceptance of its Bond, the
849 Owner and each Beneficial Owner thereof will be deemed to have agreed to all the terms
850 and provisions of such Bond as specified in such Bond and this ordinance including,
851 without limitation, the applicable Interest Periods, interest rates (including any applicable
852 Alternate Rate and Maximum Rate), Purchase Dates, Mandatory Purchase Dates,
853 Purchase Prices, mandatory and optional purchase and redemption provisions applicable
854 to such Bond, and method and timing of purchase, redemption and payment. Such
855 Owner and each Beneficial Owner further agree that if, on any date upon which one of its
856 Bonds is to be purchased, redeemed or paid at maturity or earlier due date, funds are on
857 deposit with the Registrar to pay the full amount due on such Bond, then such Owner or
858 Beneficial Owner shall have no rights under this ordinance other than to receive such full
859 amount due with respect to such Bond and that interest on such Bond shall cease to
860 accrue as of such date.

861 SECTION 6. Calculation of Interest; Change in Mode; Maximum Rate.

862 A. Calculation of Interest. When a Short-Term Mode or a SIFMA Index Rate is
863 in effect, interest will be calculated on the basis of a 365/366-day year for the actual
864 number of days elapsed. When a LIBOR Index Rate is in effect, interest will be

865 calculated on the basis of a 360-day year for the actual number of days elapsed. When a
866 Term Rate Mode or Fixed Rate Mode is in effect, interest will be calculated on the basis
867 of a 360-day year comprised of twelve 30-day months. In the absence of manifest error,
868 the determination of interest rates (including any determination of rates in connection
869 with a New Mode) and Interest Periods by the Remarketing Agent and the record of
870 interest rates maintained by the Registrar shall be conclusive and binding upon the
871 Remarketing Agent, the county, the Owners and the Beneficial Owners.

872 B. Change in Mode. Bonds in any Mode, other than a Fixed Rate Mode, may be
873 changed to any other Mode at the times and in the manner hereinafter provided. After
874 any such change in Mode (other than a change to a Fixed Rate Mode), the Bonds may
875 again be changed to a different Mode at the times and in the manner hereinafter provided.
876 A Fixed Rate Mode must be in effect until the Maturity Date and may not be changed to
877 any other Mode.

878 C. Maximum Rate. No Bonds may bear interest at an interest rate higher than the
879 Maximum Rate.

880 SECTION 7. Determination of Flexible Rates and Interest Periods during
881 Flexible Mode. An Interest Period for the Bonds in the Flexible Mode shall be of such
882 duration of from one to 270 calendar days, ending on a day preceding a Business Day or
883 the Maturity Date, as the Remarketing Agent shall determine in accordance with the
884 provisions of this Section 7 of this ordinance. A Flexible Rate Bond can have an Interest
885 Period, and bear interest at a Flexible Rate, different from another Flexible Rate Bond. In
886 making the determinations with respect to Interest Periods, subject to limitations imposed
887 by the second preceding sentence and in Section 6 of this ordinance, on each Rate

888 Determination Date for a Flexible Rate Bond, the Remarketing Agent shall select for
889 such Bond the Interest Period that would result in the Remarketing Agent's being able to
890 remarket such Bond at par in the secondary market at the lowest average interest cost for
891 all Flexible Rate Bonds; provided, however, that if the Remarketing Agent has received
892 notice from the county that the Bonds are to be changed from the Flexible Mode to any
893 other Mode, the Remarketing Agent shall select Interest Periods that do not extend
894 beyond the resulting applicable Mandatory Purchase Date of the Bonds.

895 Except while the Bonds are registered in a Book-Entry System, in order to receive
896 payment of the Purchase Price, the Owner of any Bond in the Flexible Mode must present
897 such Bond to the Registrar, by 12:00 noon on the Rate Determination Date, in which
898 case, the Registrar shall pay the Purchase Price to such Owner by 3:00 p.m. on the same
899 day.

900 By 1:00 p.m. on each Rate Determination Date, the Remarketing Agent, with
901 respect to each Bond in the Flexible Mode that is subject to adjustment on such date,
902 shall determine the Flexible Rate(s) for the Interest Periods then selected for such Bond
903 and shall give notice by Electronic Means to the Registrar and the county of the Interest
904 Periods, the Purchase Date(s) and the Flexible Rate(s). The Remarketing Agent shall
905 make the Flexible Rate and Interest Period available after 2:00 p.m. on each Rate
906 Determination Date by telephone or Electronic Means to any Beneficial Owner or Notice
907 Party requesting such information.

908 SECTION 8. Determination of Daily Rates and Weekly Rates. The interest rate
909 for the Bonds in the Daily Mode or Weekly Mode shall be the rate of interest per annum
910 determined by the Remarketing Agent on and as of the applicable Rate Determination

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

916 A. Daily Rates. During the Daily Mode, the Remarketing Agent shall establish
917 the Daily Rate by 10:00 a.m. on each Rate Determination Date. The Daily Rate for any
918 day during the Daily Mode which is not a Business Day shall be the Daily Rate
919 established on the immediately preceding Rate Determination Date. The Remarketing
920 Agent shall make the Daily Rate available no less frequently than once each week by
921 Electronic Means to each Notice Party requesting such rate.

922 B. Weekly Rates. During the Weekly Mode, the Remarketing Agent shall
923 establish the Weekly Rate by 4:00 p.m. on each Rate Determination Date. The Weekly
924 Rate shall be in effect during the applicable Weekly Rate Period. The Remarketing
925 Agent shall make the Weekly Rate available no later than 5:00 p.m. on the Business Day
926 following the Rate Determination Date by Electronic Means to each Notice Party
927 requesting such rate. During the Weekly Mode, if permitted by the applicable
928 Remarketing Agreement, the county may change the day of the week specified in clause
929 (c)(1) of the definition of "Rate Determination Date" for the Bonds, subject to the
930 approval of the Remarketing Agent. The Remarketing Agent shall give 30 days' notice of
931 any such change to the Notice Parties.

932 SECTION 9. Determination of Term Rates. Except as provided in Section 12 of
933 this ordinance, once the Bonds are changed to the Term Rate Mode, the Bonds shall

934 continue in the Term Rate Mode until changed to another Mode in accordance with
935 Section 13 of this ordinance. The Term Rate shall be determined by the Remarketing
936 Agent not later than 4:00 p.m. on the Rate Determination Date, and the Remarketing
937 Agent shall make the Term Rate available by telephone or by Electronic Means after 5:00
938 p.m. on the Rate Determination Date to any Notice Party requesting such Term Rate.
939 The Term Rate shall be the minimum rate which, in the sole judgment of the
940 Remarketing Agent, would result in a sale of the Bonds at a price equal to the principal
941 amount thereof on the Rate Determination Date for the Interest Period selected by the
942 county in writing delivered to the Remarketing Agent before such Rate Determination
943 Date. If a new Interest Period is not selected by the county prior to a Rate Determination
944 Date, the new Interest Period shall be the same length as the current Interest Period (or
945 such lesser period as shall be necessary to comply with the last sentence of this
946 paragraph). Upon request of any Notice Party, the Registrar shall give notice of such rate
947 by Electronic Means. No Interest Period in the Term Rate Mode may extend beyond the
948 applicable Maturity Date.

949 SECTION 10. Determination of Fixed Rates. The Remarketing Agent shall
950 determine the Fixed Rate for the Bonds being converted to the Fixed Rate Mode in the
951 manner and at the times as follows: not later than 4:00 p.m. on the applicable Rate
952 Determination Date, the Remarketing Agent shall determine the Fixed Rate (or Fixed
953 Rates, if the Bonds will have Serial Maturity Dates in accordance with Section 13.B.5. of
954 this ordinance). Except as set forth in Section 13.B.5. of this ordinance, the Fixed Rate
955 shall be the minimum interest rate which, in the sole judgment of the Remarketing Agent,
956 will result in a sale of the Bonds at a price equal to the principal amount thereof on the

957 Rate Determination Date. The Remarketing Agent shall make the Fixed Rate available
958 by telephone or by Electronic Means after 5:00 p.m. on the Rate Determination Date to
959 any Notice Party requesting such Fixed Rate. Upon request of any Notice Party, the
960 Registrar shall give notice of such rate by Electronic Means. Subject to Section 13.B.5.
961 of this ordinance, the Fixed Rate so established shall remain in effect until the Maturity
962 Date of such Bonds.

963 SECTION 11. Index Rate Mode.

964 A. Index Rate Options. During the Initial Period, the Bonds shall bear interest at
965 the SIFMA Index Rate (subject to adjustment as provided in Section 11.C. of this
966 ordinance). During any Index Rate Period subsequent to the Initial Period, the Bonds
967 shall bear interest at either the LIBOR Index Rate (subject to adjustment as provided in
968 Section 11.C. of this ordinance) or the SIFMA Index Rate (subject to adjustment as
969 provided in Section 11.C. of this ordinance), as shall be established pursuant to Section
970 13.A.1. of this ordinance. During an Index Rate Period, no conversion is permitted from
971 the LIBOR Index Rate to the SIFMA Index Rate or from the SIFMA Index Rate to the
972 LIBOR Index Rate.

973 B. Determination of Index Rates. The Calculation Agent shall determine the
974 Index Rate on each Rate Determination Date during an Index Rate Period, and that rate
975 shall become effective on the first day of the Index Interest Period next succeeding the
976 Rate Determination Date and remain in effect from that first day of the Index Interest
977 Period through and including the last day of that Index Interest Period.

978 The LIBOR Index Rate shall be rounded upward to the fifth decimal place. The
979 SIFMA Index Rate shall be rounded upward to the second decimal place.

980 If the Index Rate is not determined by the Calculation Agent on a Rate
981 Determination Date, the rate of interest born on the Index Rate Bonds shall be the rate in
982 effect during the immediately preceding Index Interest Period until the Calculation Agent
983 next determines the Index Rate as required hereunder.

984 Promptly following the determination of any Index Rate, the Calculation Agent
985 shall give notice thereof to the Registrar, the county and any Owner or Beneficial Owner
986 by Electronic Means.

987 The determination of any Index Rate by the Calculation Agent shall be conclusive
988 and binding upon the county, the Registrar and the Owners or Beneficial Owners absent
989 manifest error.

990 C. Adjustments to Index Rates.

991 1. Unremarketed Index Rate Bonds. Notwithstanding any other provision of
992 this ordinance to the contrary, each Unremarketed Index Rate Bond shall bear interest for
993 each day it is an Unremarketed Index Rate Bond at a rate per annum equal to the
994 Purchaser Rate for that day.

995 2. Taxable Rate. From and after any Taxable Date, the interest rate on Index
996 Rate Bonds and Unremarketed Index Rate Bonds shall be established at a rate at all times
997 equal to the Taxable Rate.

998 3. Default Rate. Notwithstanding the foregoing provisions of this Section 11 of
999 this ordinance but subject to the interest rate limitations of Section 6.C of this ordinance,
1000 upon the occurrence and continuation of an Event of Default, the interest rate for Index
1001 Rate Bonds and Unremarketed Index Rate Bonds shall be established at a rate at all times
1002 equal to the greater of (a) the Default Rate or (b) the interest rate that otherwise would be

1003 applicable to such Bonds but for the provisions of this paragraph, payable on demand to
1004 the Bank.

1005 4. Excess Interest. Notwithstanding anything in this ordinance to the contrary, if
1006 the rate of interest payable on Index Rate Bonds or on Unremarketed Index Rate Bonds
1007 exceeds the Maximum Rate for any Interest Period, then (a) those Bonds shall bear
1008 interest at the Maximum Rate during that period and (b) interest on the Bonds at the rate
1009 equal to the difference between (i) the rate of interest borne by the Bonds without regard
1010 to the Maximum Rate and (ii) the Maximum Rate (the "Excess Interest") will be deferred
1011 until the date that the rate of interest borne by those Bonds without regard to the
1012 Maximum Rate ceases to exceed the Maximum Rate, at which time that portion of the
1013 deferred Excess Interest will be payable with respect to those Bonds as will cause the rate
1014 of interest then paid thereon to equal the Maximum Rate, which payments of deferred
1015 Excess Interest will continue to apply until all deferred Excess Interest with respect to
1016 those Bonds is fully paid.

1017 D. Redemption or Conversion. The county may by written notice to the Bank, at
1018 least 60 days prior to the Initial Bank Purchase Date or any subsequent Bank Purchase
1019 Date, elect to optionally redeem or convert the Bonds to another Mode (including
1020 conversion from one Index Rate Period to another Index Rate Period) to be effective on
1021 any interest payment date prior to the Initial Bank Purchase Date or subsequent Bank
1022 Purchase Date upon compliance with the applicable provisions hereof. At least 60 days
1023 prior to the Initial Bank Purchase Date or any subsequent Bank Purchase Date, the county
1024 may request the Bank (i) to elect to retain the Bonds following the Initial Bank Purchase
1025 Date as set forth in Section 16 of this ordinance or subsequent Bank Purchase Date, as

1026 applicable, or (ii) to provide liquidity or credit enhancement necessary to facilitate the
1027 conversion of the Bonds to such new Mode, and the Bank will respond to such request
1028 within 60 days after receipt of such request from the county. The Bank may, in its sole
1029 and absolute discretion, decide to accept or reject any such request, and no consent shall
1030 become effective unless the Bank has consented thereto in writing. If the Bank rejects
1031 such request or fails to definitively respond to such request within such 60-day period,
1032 the Bank shall be deemed to have refused to grant such request and the county shall be
1033 required to repurchase the Bonds on the Initial Bank Purchase Date or subsequent Bank
1034 Purchase Date (unless the Bonds are converted to Unremarketed Index Rate Bonds in
1035 accordance with the terms of the applicable Agreement) for a purchase price of 100% of
1036 the par amount plus accrued interest to the Initial Bank Purchase Date or subsequent
1037 Bank Purchase Date, as applicable. The consent of the Bank, if granted, shall be
1038 conditioned upon the preparation, execution and delivery of documentation in form and
1039 substance satisfactory to the Bank.

1040 E. Limitations on Transfer. Ownership of Index Rate Bonds and Unremarketed
1041 Index Rate Bonds may be transferred only as provided in the Agreement.

1042 SECTION 12. Alternate Rates. The following provisions shall apply if (i) the
1043 Remarketing Agent fails or is unable to determine the interest rate or Interest Period for
1044 the Bonds other than when the Bonds are in the Index Rate Mode, (ii) the method by
1045 which the Remarketing Agent determines the interest rate or Interest Period with respect
1046 to the Bonds (or the selection by the county of the Interest Periods for Bonds in the Term
1047 Rate Mode) shall be held to be unenforceable by a court of law of competent jurisdiction
1048 or (iii) if the Remarketing Agent suspends its remarketing effort in accordance with the

1049 Remarketing Agreement. These provisions shall continue to apply until such time as the
1050 Remarketing Agent (or the county, if applicable) again makes such determinations. In
1051 the case of clause (ii) above, the Remarketing Agent (or the county, if applicable) shall
1052 again make such determination at such time as there is delivered to the Remarketing
1053 Agent and the county an opinion of Bond Counsel to the effect that there are no longer
1054 any legal prohibitions against such determinations. The following shall be the methods
1055 by which the interest rates and, in the case of the Flexible Mode and the Term Rate
1056 Mode, the Interest Periods shall be determined for the Bonds as to which any of the
1057 events described in clauses (i), (ii) or (iii) shall be applicable. Such methods shall be
1058 applicable from and after the date any of the events described in clauses (i), (ii) or (iii)
1059 first become applicable to the Bonds until such time as the events described in clauses (i),
1060 (ii) or (iii) are no longer applicable to the Bonds. These provisions shall not apply if the
1061 county fails to select an Interest Period for the Bonds in the Term Rate Mode for a reason
1062 other than as described in clause (ii) above:

1063 A. Flexible Mode. For Flexible Rate Bonds, the next Interest Period shall be
1064 from, and including, the first day following the last day of the current Interest Period for
1065 the Bonds to, but excluding, the next succeeding Business Day and thereafter shall
1066 commence on each Business Day and extend to, but exclude, the next succeeding
1067 Business Day. For each such Interest Period, the interest rate for the Bonds shall be the
1068 applicable Alternate Rate in effect on the Business Day that begins an Interest Period.

1069 B. Daily Mode or Weekly Mode. If the Bonds are in the Daily Mode or the
1070 Weekly Mode, then the Bonds shall bear interest during each subsequent Interest Period
1071 at the Alternate Rate in effect on the first day of such Interest Period.

1072 C. Term Rate Mode. If the Bonds are in the Term Rate Mode, then the Bonds
1073 shall automatically convert to Flexible Rate Bonds, with an Interest Period commencing
1074 on the first day following the last day of the current Interest Period for the Bonds to, but
1075 excluding, the next succeeding Business Day and thereafter shall commence on each
1076 Business Day and extend to, but exclude, the next succeeding Business Day. For each
1077 such Interest Period, the interest rate for the Bonds shall be the applicable Alternate Rate
1078 in effect at the beginning of each such Interest Period.

1079 SECTION 13. Changes in Mode. Subject to the provisions of this Section 13 of
1080 this ordinance, and with respect to Index Rate Bonds, subject also to the terms of the
1081 applicable Agreement, the county may effect a change in Mode with respect to the Bonds
1082 by following the procedures set forth in this Section 13 of this ordinance. If a change in
1083 Mode will make the Bonds subject to the Rule, it shall be a condition to the conversion
1084 that the county shall have executed a continuing disclosure undertaking satisfying the
1085 requirements of such Rule and shall cooperate with the Remarketing Agent, if any, and
1086 any Underwriter (as defined in the Rule) in satisfying the requirements of the Rule.

1087 A. Changes to Modes other than to Fixed Rate Mode. All or a portion of the
1088 Bonds (other than Bonds in the Fixed Rate Mode) may be changed from one Mode to
1089 another Mode (other than the Fixed Rate Mode) or, in the case of Index Rate Bonds, from
1090 one Index Rate Period to another Index Rate Period, as follows; provided, that as set forth
1091 in Section 13.A.3(d) of this ordinance, no less than all of the Bonds bearing interest at an
1092 Index Rate may be converted to a new Mode:

1093 1. Conversion Notice; Notice to Owners. No later than a Business Day that is at
1094 least seven (7) Business Days prior to the date on which the Registrar is required to notify

1095 the registered owners (or such shorter time as may be agreed to by the county, the
1096 Registrar and any Remarketing Agent) preceding the proposed Conversion Date, the
1097 county shall give written notice to the Notice Parties of its intention to effect a change in
1098 the Mode from the Mode then prevailing (the "Current Mode") to another Mode (the
1099 "New Mode") specified in such written notice, and, if the change is to a Term Rate Mode,
1100 the length of the initial Interest Period as set by the county. Such notice shall be
1101 accompanied by a form of a Favorable Opinion of Bond Counsel. In the case of a change
1102 to a Term Rate Mode or from one Term Rate Mode to another Term Rate Mode, the
1103 notice to the Notice Parties will also state whether a Liquidity Facility or Credit
1104 Enhancement will be in effect with respect to the Bonds following such change and the
1105 identity of any provider of such Liquidity Facility or Credit Enhancement. Notice of the
1106 proposed change in Mode will be given by the Registrar to the Owners of the Bonds not
1107 later than the 20th day next preceding the Conversion Date; provided, however, that no
1108 notice need be given for an Index Rate Conversion Date for a conversion from one Index
1109 Rate Period to another Index Rate Period if the Owner of the Bonds has elected to retain
1110 the Bonds as set forth in Section 16 of this ordinance, or for a Conversion Date occurring
1111 on the first Business Day following the last day of a Flexible Rate Period or Term Rate
1112 Mode or on a Substitution Date. Such notice shall state: (a) the Mode to which the
1113 conversion will be made and the Conversion Date; (b) in the case of a change from any
1114 Mode, that the Bonds will be subject to mandatory purchase on the Conversion Date
1115 (regardless of whether all of the conditions to the change in the Mode are satisfied) and
1116 the Purchase Price of the Bonds; and (c) information with respect to required delivery of
1117 bond certificates and payment of Purchase Price, unless a Book-Entry System is in effect.

1118 In addition, if the conversion is to an Index Rate Mode from another Mode , such notice
1119 shall also state whether such Index Rate shall be a SIFMA Index Rate or a LIBOR Index
1120 Rate, the new Bank Purchase Date, the new Applicable Factor, if applicable, and the new
1121 Applicable Spread. The new Applicable Spread shall be determined by the Market Agent
1122 such that the applicable Index Rate shall be the interest rate per annum (based upon tax-
1123 exempt obligations comparable, in the judgment of the Market Agent, to the Bonds and
1124 known to the Market Agent to have been priced or traded under the prevailing market
1125 conditions) to be the minimum interest rate at which a Person will agree to purchase the
1126 Bonds on the Conversion Date at a price (without regard to accrued interest) equal to the
1127 principal amount thereof. In addition, if the conversion is to an Index Rate Mode from
1128 another Mode, the county shall provide a copy of such notice to the Calculation Agent
1129 contemporaneously with the Registrar.

1130 2. Determination of Interest Rates and Interest Periods. The New Mode shall
1131 commence on the Conversion Date and the interest rate(s) (together, in the case of a
1132 change to the Flexible Mode, with the Interest Period(s)) shall be determined by the
1133 Remarketing Agent or, if applicable, the Calculation Agent (or the county in the case of
1134 the Interest Period for the Bonds converted to the Term Rate Mode) in the manner
1135 provided in Sections 7, 8, 9, 11 and 12 of this ordinance, as applicable. Such
1136 determination shall be conclusive and binding upon the county, the Registrar, and the
1137 Owners of the Bonds to which such rate will be applicable.

1138 3. Conditions Precedent:

1139 (a) The Conversion Date shall be:

1140 (i) In the case of a change from the Flexible Mode to another Mode, the next
1141 Mandatory Purchase Date for all of the Flexible Rate Bonds;

1142 (ii) In the case of a change from the Daily Mode, the Weekly Mode or the
1143 Index Rate Mode to another Mode (other than to the Daily Mode or the Weekly Mode),
1144 any Interest Payment Date and, in the case of a change from the Daily Mode or the
1145 Weekly Mode to the Daily Mode or the Weekly Mode, any Business Day; and

1146 (iii) In the case of a change from the Term Rate Mode to another Mode, or
1147 from a Term Rate Period to a Term Rate Period of a different duration, or from an Index
1148 Rate Mode to another Mode, or from one Index Rate Period to another Index Rate Period,
1149 the Conversion Date shall be limited to any Interest Payment Date on which the Bonds
1150 are subject to optional redemption or to the last Interest Payment Date of the current
1151 Term Rate Period, as the case may be. Such Bonds shall be purchased on that
1152 Conversion Date at a Purchase Price equal to 100% of the principal amount thereof;
1153 provided, that if such Bonds would otherwise be subject to optional redemption on such
1154 Conversion Date at a Redemption Price of more than 100% of the principal amount
1155 thereof, such Bonds shall be purchased at a Purchase Price equal to that Redemption
1156 Price.

1157 (b) If the Bonds to be converted are in the Flexible Mode, no Interest Period
1158 set after delivery by the county to the Remarketing Agent of the notice of the intention to
1159 effect a change in Mode shall extend beyond the day preceding the proposed Conversion
1160 Date.

1161 (c) The following items shall have been delivered to the Registrar and the
1162 Remarketing Agent, if any, on or prior to each Conversion Date:

1163 (i) A Favorable Opinion of Bond Counsel dated the Conversion Date and
1164 addressed to the Notice Parties;

1165 (ii) If there is to be a Liquidity Facility or an Alternate Liquidity Facility or a
1166 Credit Enhancement or an Alternate Credit Enhancement delivered in connection with
1167 such change, the items required by Section 22.D. of this ordinance; and

1168 (iii) If the Bonds are then rated, a Rating Confirmation Notice, or if the
1169 Conversion Date is a Mandatory Purchase Date, a notice from the Rating Agencies of the
1170 rating(s) to be assigned the Bonds on such Conversion Date.

1171 (d) It is a condition to the conversion of the Bonds from the Index Rate Mode
1172 that all Bonds being converted be remarketed on the Conversion Date.

1173 B. Change to Fixed Rate Mode. At the option of the county, all or any portion of
1174 the Bonds bearing interest at a Daily Rate, a Weekly Rate, an Index Rate or a Flexible
1175 Rate (in an amount that is an Authorized Denomination for the new Interest Period) may
1176 be changed to the Fixed Rate Mode, as follows; provided, that, as set forth in Section
1177 13.A.3.(d) of this ordinance, all of the Bonds bearing interest at an Index Rate must be
1178 converted to a new Mode):

1179 1. Conversion Notice. On any Business Day which is at least seven (7)
1180 Business Days prior to the date on which the Registrar is required to notify the registered
1181 owners (or such shorter time as may be agreed to by the county, the Registrar and the
1182 Remarketing Agent, but in any event not less than the 20th day next preceding the
1183 Conversion Date) before the proposed Conversion Date, the county shall give written
1184 notice to the Notice Parties stating that the Mode will be changed to the Fixed Rate Mode
1185 and setting forth the proposed Conversion Date. Such notice shall also state whether or

1186 not there shall be Credit Enhancement with respect to the Bonds following such change
1187 and, if so, the identity of the Credit Provider. In addition, such notice shall state whether
1188 some or all of the Bonds to be converted shall be converted to Serial Bonds and, if so, the
1189 applicable Serial Maturity Dates and Serial Payments, all as determined pursuant to
1190 Section 13.B.5. of this ordinance. Such notice shall be accompanied by a Favorable
1191 Opinion of Bond Counsel.

1192 2. Conversion Date. The Conversion Date shall be:

1193 (a) In the case of a change from the Flexible Mode, the next Mandatory
1194 Purchase Date for the Flexible Rate Bonds;

1195 (b) In the case of a change from the Daily Mode, the Weekly Mode or the
1196 Index Rate Mode, any Interest Payment Date; and

1197 (c) In the case of a change from the Term Rate Mode, the Conversion Date
1198 shall be limited to any Interest Payment Date on which the Bonds are subject to optional
1199 redemption or to the next Mandatory Purchase Date for the Term Rate Bonds, as the case
1200 may be. Such Bonds shall be purchased on such Conversion Date at a Purchase Price
1201 equal to 100% of the principal amount thereof; provided, however, that if such Bonds
1202 would otherwise be subject to optional redemption on such Conversion Date at a
1203 Redemption Price of more than 100% of the principal amount thereof, such Bonds shall
1204 be purchased at a Purchase Price equal to such Redemption Price.

1205 3. Notice to Owners. Not later than the 20th day next preceding the Conversion
1206 Date, the Registrar shall mail, in the name of the county, a notice of such proposed
1207 change to the Owners of the Bonds stating that the Mode will be changed to the Fixed
1208 Rate Mode and the proposed Conversion Date. Such notice shall also state that such

1209 Owner is required to tender such Owner's Bonds for purchase on such proposed
1210 Conversion Date regardless of whether all of the conditions to the change to the Fixed
1211 Rate Mode are satisfied.

1212 4. Determination of Fixed Rate(s). The Fixed Rate (or Fixed Rates, in the case
1213 of Serial Bonds) for the Bonds to be converted to the Fixed Rate Mode shall be
1214 established by the Remarketing Agent on the Rate Determination Date applicable thereto
1215 pursuant to the provisions of Section 10 of this ordinance. Such Fixed Rate shall remain
1216 in effect until the Maturity Date of the Bonds.

1217 Such determination shall be conclusive and binding upon the county, the
1218 Registrar, the Credit Provider, if any, and the Owners of the Bonds to which such rate
1219 will be applicable. Not later than 5:00 p.m. on the date of determination of the Fixed
1220 Rate, the Remarketing Agent shall provide notice of such rate to the Registrar by
1221 Electronic Means and to the Credit Provider and the county by telephone.

1222 5. Serialization and Sinking Fund; Price. Upon conversion of the Bonds to the
1223 Fixed Rate Mode, the Bonds shall be remarketed at par, shall mature on the same
1224 Maturity Date(s) and be subject to the same mandatory sinking fund redemption, if any,
1225 and special redemption provisions, if any, as set forth in this ordinance for any prior
1226 Mode; provided, however, that if the county shall deliver to the Registrar a Favorable
1227 Opinion of Bond Counsel, the county may elect to (a) have some of the Bonds be Serial
1228 Bonds and some subject to sinking fund redemption even if such Bonds were not Serial
1229 Bonds or subject to mandatory sinking fund redemption prior to such change, (b) change
1230 the optional redemption dates and/or premiums set forth in Section 14.D. of this
1231 ordinance, and/or (c) sell some or all of the Bonds at a premium or a discount to par.

1232 6. General Provisions Applying to Change to Fixed Rate Mode. The change to
1233 the Fixed Rate Mode shall not occur unless the following items shall have been delivered
1234 to the county, the Registrar, the Credit Provider, if any, and the Remarketing Agent, if
1235 any, on or prior to the Conversion Date:

1236 (a) A Favorable Opinion of Bond Counsel dated the Conversion Date and
1237 addressed to the county, the Registrar and the Remarketing Agent, if any;

1238 (b) If there is to be Credit Enhancement delivered in connection with such
1239 change, the items required by Section 22.D of this ordinance in connection with the
1240 delivery of an Alternate Credit Enhancement, and

1241 (c) Notice from the Rating Agencies of the rating(s) to be assigned the Bonds
1242 on such Conversion Date.

1243 C. Failure to Satisfy Conditions Precedent to an Interest Rate Conversion. If the
1244 conditions described above in Section 13.A. or B. of this ordinance, as applicable, have
1245 not been satisfied by the applicable Conversion Date, then the New Mode will not take
1246 effect (although, except in the case of a failed conversion from the Index Rate Mode, any
1247 mandatory purchase will be made on such date if notice has been sent to the Owners
1248 stating that such Bonds would be subject to mandatory purchase on such date). If the
1249 failed change in Mode was from the Flexible Mode, the Bonds shall remain in the
1250 Flexible Mode with interest rates and Interest Periods to be established by the
1251 Remarketing Agent on the failed Conversion Date in accordance with Section 7 of this
1252 ordinance. If the failed change in Mode was from the Daily Mode, the Bonds shall
1253 remain in the Daily Mode, and if the failed change in Mode was from the Weekly Mode,
1254 the Bonds shall remain in the Weekly Mode, in each case with interest rates established

1255 in accordance with the applicable provisions of Section 8 of this ordinance on and as of
1256 the failed Conversion Date. If the failed change in Mode was from the Term Rate Mode,
1257 then the Bonds shall stay in the Term Rate Mode for an Interest Period ending on the
1258 following Interest Payment Date for the Bonds in the Term Rate Mode, and the interest
1259 rate shall be established by the Remarketing Agent on the failed Conversion Date in
1260 accordance with Section 9 of this ordinance. If the failed change in Mode was from the
1261 Index Rate Mode, then the Bonds will not be subject to mandatory tender, and the Bonds
1262 will remain in the Index Rate Mode, with interest rates established in accordance with the
1263 applicable provisions of Section 11 of this ordinance on and as of the failed Conversion
1264 Date.

1265 D. Rescission of Election. Notwithstanding anything herein to the contrary, the
1266 county may rescind any election by it to change a Mode as described above prior to the
1267 Conversion Date by giving written notice thereof to the Notice Parties prior to 10:00 a.m.
1268 on the Business Day preceding such Conversion Date. If the Registrar receives notice of
1269 such rescission prior to the time the Registrar has given notice to the Owners of the
1270 Bonds, then such notice of change in Mode shall be of no force and effect. If the
1271 Registrar receives notice from the county of rescission of a Mode change after the
1272 Registrar has given notice thereof to the Owners of the Bonds, then if the proposed
1273 Conversion Date would have been a Mandatory Purchase Date, such date shall continue
1274 to be a Mandatory Purchase Date except if the conversion is from the Index Rate Mode.
1275 If the proposed change in Mode was from the Flexible Mode, the Bonds shall remain in
1276 the Flexible Mode with interest rates and Interest Periods to be established by the
1277 Remarketing Agent on the proposed Conversion Date in accordance with Section 7 of

1278 this ordinance. If the proposed change in Mode was from the Daily Mode, the Bonds
1279 shall remain in the Daily Mode, and if the proposed change in Mode was from the
1280 Weekly Mode, the Bonds shall remain in the Weekly Mode, in each case with interest
1281 rates established in accordance with the applicable provisions of Section 8 of this
1282 ordinance on and as of the proposed Conversion Date. If the proposed change in Mode
1283 was from the Term Rate Mode, then the Bonds shall stay in the Term Rate Mode for an
1284 Interest Period ending on the following Interest Payment Date for the Bonds in the Term
1285 Rate Mode, and the interest rate shall be established by the Remarketing Agent on the
1286 proposed Conversion Date in accordance with Section 9 of this ordinance. If the
1287 Remarketing Agent is unable to determine the interest rate on the proposed Conversion
1288 Date, the provisions of Section 10 of this ordinance shall apply in effect at the beginning
1289 of each such Interest Period. If the proposed change in Mode was from the Index Rate
1290 Mode, the Bonds shall remain in the Index Rate Mode, with interest rates established in
1291 accordance with the applicable provisions of Section 11 of this ordinance on and as of the
1292 proposed Conversion Date.

1293 SECTION 14. Redemption of Bonds.

1294 A. Optional Redemption of Flexible Rate Bonds. Bonds in the Flexible Mode are
1295 not subject to optional redemption prior to their respective Purchase Dates. Bonds in the
1296 Flexible Mode shall be subject to optional redemption by the county, in whole or in part,
1297 in Authorized Denominations, on their respective Purchase Dates at a redemption price
1298 equal to the principal amount thereof.

1299 B. Optional Redemption of Bonds in the Daily Mode or the Weekly Mode.

1300 Bonds in the Daily Mode or the Weekly Mode shall be subject to optional redemption by

1301 the county, in whole or in part (and if in part, with any Liquidity Provider Bonds
1302 redeemed first), in Authorized Denominations, on any Business Day, at a redemption
1303 price equal to the principal amount thereof, plus accrued interest, if any, to the
1304 Redemption Date. Liquidity Provider Bonds shall be redeemed in accordance with the
1305 applicable Reimbursement Agreement. So long as a Credit Enhancement is in effect for
1306 Bonds in the Daily Mode or Weekly Mode, no optional redemption of such Bonds shall
1307 be permitted without (i) the prior written consent of the Credit Provider or (ii) the deposit
1308 by the county with the Registrar on or prior to the Redemption Date of funds sufficient to
1309 reimburse the Credit Provider for the draw on the Credit Enhancement to pay the
1310 Redemption Price for such Bonds.

1311 C. Optional Redemption of Bonds in the Term Rate Mode. Bonds in a Term
1312 Rate Mode shall be subject to optional redemption by the county, in whole or in part, in
1313 Authorized Denominations, on their individual Mandatory Purchase Dates, at a
1314 redemption price equal to the principal amount thereof.

1315 D. Optional Redemption of Bonds in the Fixed Rate Mode. The county, in
1316 connection with a change to the Fixed Rate Mode, may establish the optional redemption
1317 provisions for the Bonds, in whole or in part, in Authorized Denominations, on any date,
1318 at a redemption price equal to the principal amount thereof, plus accrued interest, if any,
1319 to the Redemption Date; provided, that notice describing such provisions shall be
1320 submitted to the Registrar and the Remarketing Agent, together with a Favorable Opinion
1321 of Bond Counsel, addressed to them.

1322 E. Redemption of Index Rate Bonds. Index Rate Bonds are subject to optional
1323 redemption by the county, in whole or in part, in Authorized Denominations, on any

1324 Interest Payment Date, at a redemption price equal to the principal amount thereof,
1325 subject to any limitations or conditions set forth in the applicable Agreement.

1326 Unremarketed Index Rate Bonds shall be subject to mandatory redemption by the county
1327 on the dates, at the prices and in the amounts set forth in the applicable Agreement.

1328 F. Notice and Effect of Redemption.

1329 1. Timing of Notice. The county shall give the Registrar sufficient notice of any
1330 redemption of Bonds to permit the Registrar to give notice to the Securities Depository at
1331 least 30 days prior to the proposed Redemption Date for Bonds in any Long-Term Mode
1332 and at least 15 days prior to the proposed Redemption Date for Bonds in any Short-Term
1333 Mode. While the Bonds are in certificated form, the Registrar will give written notice of
1334 any redemption of Bonds by first-class mail, postage prepaid, not less than 20 days (for
1335 Bonds in any Long-Term Mode) or not less than 15 days (for Bonds in any Short-Term
1336 Mode) nor more than 60 days before the proposed Redemption Date to the registered
1337 owners of Bonds that are to be redeemed at their last addresses shown on the Register.
1338 While the Bonds are held in a Book-Entry System, notice of any redemption will be
1339 provided in accordance with the operational arrangements of the Securities Depository
1340 referred to in the Letter of Representations, and, except as provided in an undertaking to
1341 provide continuing disclosure under the Rule, the county will provide no additional
1342 published or other notice.

1343 2. Contents of Notice. Each notice of redemption shall state: (a) the
1344 Redemption Date, (b) the Redemption Price, (c) the CUSIP numbers, if any, of the Bonds
1345 being redeemed, (d) if less than all Outstanding Bonds are to be redeemed, identification
1346 information and principal amounts of the Bonds to be redeemed, (e) the dated date of the

1347 Bonds, (f) the rate of interest for each Bond being redeemed, (g) that the Bonds are to be
1348 surrendered for payment at the principal office of the Registrar, (h) any condition to such
1349 redemption, (i) that on the Redemption Date, upon the satisfaction of any such condition,
1350 the Redemption Price will become due and payable upon each Bond or portion called for
1351 redemption and interest shall cease to accrue from the Redemption Date, (j) the date of
1352 the notice, (k) a summary of the substance of Section 14.F.5. of this ordinance, and (l)
1353 any other information needed to identify the Bonds being redeemed. The requirements of
1354 this Section 14.F. of this ordinance are deemed complied with when notice is mailed,
1355 whether or not it is actually received by the Owner.

1356 3. Notice of Redemption on Mandatory Purchase Date. Notwithstanding
1357 anything herein to the contrary, no notice of redemption is required to be given for a
1358 redemption occurring on a Mandatory Purchase Date.

1359 4. Effect of Redemption. Unless any condition for redemption is not satisfied or
1360 such redemption is cancelled as provided in Section 14.F.5. of this ordinance, the county
1361 will provide funds to the Registrar that, in addition to other money, if any, held by the
1362 Registrar, will be sufficient to redeem on the Redemption Date all Bonds to be redeemed.
1363 From the Redemption Date, interest on all such paid and redeemed Bonds will cease to
1364 accrue.

1365 5. Cancellation of Redemption. With respect to optional redemptions only, if
1366 the Registrar shall not have funds in its possession on the Redemption Date sufficient to
1367 pay the Redemption Price of all of the Bonds to optionally redeemed, for any reason
1368 (including, but not limited to, failure to issue any refunding obligations intended for such
1369 purpose on or prior to the Redemption Date), then the purported optional redemption and

1370 any notice thereof shall be void, and such occurrence shall not constitute a default or an
1371 Event of Default.

1372 With respect to optional redemptions only, if the county shall have delivered to
1373 the Registrar, no later than the fifth Business Day prior to the Redemption Date, written
1374 notice of its decision to cancel its prior request for optional redemption, then the
1375 purported optional redemption shall be cancelled and any prior notice thereof shall be
1376 void, and the Registrar shall return to the county any funds which had been deposited by
1377 the county with the Registrar for the purpose of effecting such optional redemption.
1378 Immediately upon receipt of the county's cancellation notice, the Registrar shall give or
1379 cause to be given written notice of such cancellation, if the Bonds are then held under a
1380 Book-Entry Termination System, to the Securities Depository, as the Owner of the Bonds
1381 which were to have been redeemed, for the benefit of Beneficial Owners thereof, in
1382 accordance with the Letter of Representations, and if the Bonds are not then held in a
1383 Book-Entry Termination System, to the respective Owners of any Bonds that were to
1384 have been redeemed. Such notice shall be given in any manner which the Registrar
1385 reasonably believes will result in delivery of such notice to the intended recipients thereof
1386 prior to the Redemption Date; provided, however, that such notice of cancellation shall
1387 be effective to cancel such redemption whether or not it is received by such intended
1388 recipients, and such occurrence shall not constitute a default or an Event of Default. All
1389 notices of cancellation shall be given at the expense of the county.

1390 G. Purchase in Lieu of Redemption. Each Owner and Beneficial Owner, by
1391 purchase and acceptance of any Bond, irrevocably grants to the county the option to
1392 purchase such Bond pursuant to a mandatory tender for purchase ("purchase in lieu of

1393 redemption") on any date that such Bond is subject to optional redemption pursuant to
1394 this Section 14 of this ordinance, at a purchase price equal to the then applicable
1395 redemption price of such Bond. In the event the county determines to exercise such
1396 option, the county shall obtain a Favorable Opinion of Bond Counsel addressed to the
1397 county and the Registrar, and shall direct the Registrar to provide notice of purchase in
1398 lieu of redemption, such notice to be provided, as and to the extent applicable, in
1399 accordance with the provisions of Section 14.F of this ordinance, and to select Bonds
1400 subject to purchase in lieu of redemption in the same manner as Bonds called for
1401 redemption pursuant to this Section 14 of this ordinance. On the date fixed for purchase
1402 in lieu of redemption of any Bond, the county shall pay the Purchase Price of such Bond
1403 to the Registrar in immediately available funds, and the Registrar shall pay the same to
1404 the Owners of the Bonds being purchased against delivery thereof. No purchase in lieu
1405 of redemption of any Bond pursuant to the provisions of this Section 14.G. of this
1406 ordinance shall operate to extinguish such Bond or the indebtedness of the county
1407 evidenced by such Bond. No Owner or Beneficial Owner may elect to retain a Bond
1408 subject to mandatory tender for purchase in lieu of redemption pursuant to the provisions
1409 of this Section 14.G. of this ordinance.

1410 SECTION 15. Optional Tenders of Bonds in the Daily Mode or the Weekly
1411 Mode. Subject to Section 20 of this ordinance, the Beneficial Owners of Bonds in a
1412 Daily Mode or a Weekly Mode may elect to have their Bonds (or portions of those Bonds
1413 in amounts equal to an Authorized Denomination) purchased on any Business Day at a
1414 price equal to the Purchase Price, upon delivery of a Tender Notice to the Registrar by
1415 the Tender Notice Deadline. Immediately upon receipt of a Tender Notice, the Registrar

1416 shall notify the Remarketing Agent and provide the Remarketing Agent with a copy of
1417 such Tender Notice.

1418 SECTION 16. Mandatory Purchase of Bonds on Mandatory Purchase Date. The
1419 Bonds shall be subject to mandatory purchase on each Mandatory Purchase Date;
1420 provided, that if the date on which the Bonds are subject to tender for purchase shall be
1421 an Index Rate Conversion Date for a conversion from one Index Rate Period to another
1422 Index Rate Period, the Bank may elect to retain its Bonds by filing with the Registrar not
1423 less than five days prior to the mandatory tender date a written notice identifying such
1424 Bonds and the principal amount it wishes to retain. The Registrar shall give notice of
1425 such mandatory purchase by mail to the Owners of the Bonds subject to mandatory
1426 purchase no less than 20 days prior to the Mandatory Purchase Date described in clauses
1427 (c), (d), (e), (f) and (h) of the definition of "Mandatory Purchase Date" in Section 1 of
1428 this ordinance and no less than 3 days prior to the Mandatory Purchase Dates described in
1429 clauses (g) and (i) of the definition of "Mandatory Purchase Date" in Section 1 of this
1430 ordinance. No notice shall be given of the Mandatory Purchase Date at the end of each
1431 Interest Period for Flexible Rate Bonds or at the end of the Term Rate Period for Bonds
1432 in the Term Rate Mode. Any notice shall state the Mandatory Purchase Date, the
1433 Purchase Price, the numbers of the Bonds to be purchased if less than all of the Bonds
1434 owned by such Owner are to be purchased, and that interest on Bonds subject to
1435 mandatory purchase shall cease to accrue from and after the Mandatory Purchase Date.
1436 The failure to mail such notice with respect to any Bond shall not affect the validity of
1437 the mandatory purchase of any other Bond with respect to which notice was so mailed.
1438 Any notice mailed will be conclusively presumed to have been given, whether or not

1439 actually received by any Owner or Beneficial Owner. The Registrar shall also give a
1440 copy of such notice to the Rating Agencies.

1441 SECTION 17. Remarketing of Bonds; Notices.

1442 A. Remarketing of Bonds. The Remarketing Agent shall use its best efforts
1443 pursuant to the terms and conditions of the Remarketing Agreement to offer for sale at
1444 par up to the Maximum Rate:

1445 1. All Bonds or portions thereof as to which notice of tender pursuant to Section
1446 15 of this ordinance has been given;

1447 2. All Bonds required to be purchased on a Mandatory Purchase Date described
1448 in clauses (a), (b), (c), (d), (e), (g), (h) or (i) of the definition of "Mandatory Purchase
1449 Date" in Section 1 of this ordinance, except Bonds that the Bank has elected to retain as
1450 provided in Section 16 of this ordinance in connection with conversion from one Index
1451 Rate Period to another Index Rate Period.

1452 3. Any Liquidity Provider Bonds (a) purchased on a Purchase Date described in
1453 clause 1 or 2 of this Section 17.A, (b) of this ordinance with respect to which the Liquidity
1454 Provider has provided notice to the Registrar and the Remarketing Agent that it has
1455 reinstated the Available Amount, (c) with respect to which an Alternate Liquidity Facility
1456 and Alternate Credit Enhancement is in effect (if such Bonds were secured by a Credit
1457 Enhancement prior to becoming Liquidity Provider Bonds which Credit Enhancement is
1458 no longer in effect), or (d) that are being marketed as Fixed Rate Bonds; and

1459 4. Any County Bonds; provided, however, that the Remarketing Agent will not
1460 remarket Bonds held by or for the account of the county, or any Affiliate of the county,
1461 without a Favorable Opinion of Bond Counsel addressed to the county, the Registrar and

1462 the Remarketing Agent. In connection with the remarketing of any Bonds with respect to
1463 which notice of redemption or notice of mandatory purchase has been given, the
1464 Remarketing Agent will notify each Person to which such Bonds are remarketed of such
1465 notice of redemption or notice of mandatory purchase.

1466 B. Notice of Remarketing; Registration Instructions; New Bonds. On each date
1467 on which a Bond is to be purchased:

1468 1. The Remarketing Agent shall notify the Registrar by Electronic Means by
1469 12:00 noon of the principal amount of tendered Bonds it has remarketed or, alternatively,
1470 that it has been unable to remarket any of the Bonds;

1471 2. Unless the Remarketing Agent has given notice to the Registrar pursuant to
1472 Section 17.B.1. of this ordinance that it has been unable to remarket any of the Bonds, the
1473 Remarketing Agent shall notify the Registrar by Electronic Means by 1:00 p.m. of such
1474 information as may be necessary to register and deliver Bonds remarketed with respect
1475 thereto;

1476 3. The Remarketing Agent shall cause the proceeds of the remarketing by such
1477 Remarketing Agent of tendered Bonds to be paid to the Registrar in immediately
1478 available funds not later than 12:15 p.m. on the Purchase Date for such Bonds; and

1479 4. If the Bonds are no longer in the Book-Entry System, the Registrar shall
1480 authenticate new Bonds for the respective purchasers thereof, which shall be available for
1481 pick-up by the Remarketing Agent not later than 2:30 p.m.

1482 C. Draw on Liquidity Facility. On each date on which a Bond is to be purchased,
1483 (1) if the Remarketing Agent has given notice to the Registrar pursuant to Section 17.B.1.
1484 of this ordinance that it has been unable to remarket any of the Bonds, or (2) if the

1485 Registrar has not received from the Remarketing Agent an amount sufficient to pay the
1486 Purchase Price of tendered Bonds, by 12:00 noon on the Purchase Date, then the
1487 Registrar shall draw on the Liquidity Facility (or if no Liquidity Facility is in effect,
1488 request funds from the county) by 12:00 noon in an amount equal to the Purchase Price of
1489 all such Bonds that have not been successfully remarketed, requesting payment not later
1490 than 2:30 p.m. on the Purchase Date. If a Liquidity Facility is in effect, the Registrar
1491 shall also give the county notice by 2:30 p.m. on the Purchase Date if it does not have
1492 funds in the Remarketing Proceeds Account and the Liquidity Facility Purchase Account
1493 sufficient to pay the Purchase Price of Bonds tendered on such Purchase Date. Any draw
1494 on a Liquidity Facility to be made on a Substitution Date shall be on the Liquidity
1495 Facility being replaced. In no event shall the Liquidity Facility be drawn on to purchase
1496 any Liquidity Provider Bonds or any County Bonds.

1497 SECTION 18. Source of Funds for Purchase of Bonds. By 3:00 p.m. on the date
1498 on which a Bond is to be purchased, and except as set forth in Section 20.B. of this
1499 ordinance, the Registrar shall purchase tendered Bonds from the tendering Owners at the
1500 applicable Purchase Price by wire transfer in immediately available funds. Funds for the
1501 payment of such Purchase Price shall be derived solely from the following sources in the
1502 order of priority indicated and neither the Registrar nor the Remarketing Agent shall be
1503 obligated to provide funds from any other source:

- 1504 A. Immediately available funds on deposit in the Remarketing Proceeds Account;
- 1505 B. Immediately available funds on deposit in the Liquidity Facility Purchase
1506 Account; and
- 1507 C. Money of the county on deposit in the County Purchase Account.

1508 If no Liquidity Facility is in effect, then the county shall be obligated to deposit
1509 amounts into the County Purchase Account sufficient to pay the Purchase Price to the
1510 extent that amounts on deposit in the Remarketing Proceeds Account are insufficient
1511 therefor. If a Liquidity Facility is in effect, then the county may, but is not obligated to,
1512 deposit amounts into the County Purchase Account sufficient to pay the Purchase Price to
1513 the extent that amounts on deposit in the Remarketing Proceeds Account and the
1514 Liquidity Facility Purchase Account are insufficient therefor. For purposes of this
1515 paragraph, a Liquidity Facility shall be deemed to be in effect so long as the Liquidity
1516 Provider is contractually obligated to honor future draws on the Liquidity Facility
1517 pursuant to Section 17.C. of this ordinance, even if the Liquidity Provider in fact has
1518 failed to honor past draws on the Liquidity Facility and has declared its intent not to
1519 honor future draws on the Liquidity Facility or otherwise is in breach of its obligations
1520 under the Liquidity Facility.

1521 SECTION 19. Delivery of Bonds. On each date on which a Bond is to be
1522 purchased, such Bond shall be delivered as follows:

1523 A. Bonds purchased by the Registrar with funds described in Section 18.A. of
1524 this ordinance shall be delivered by the Remarketing Agent to the purchasers of such
1525 Bonds by 3:00 p.m.;

1526 B. Bonds purchased by the Registrar with funds described in Section 18.B. of this
1527 ordinance shall be registered immediately in the name of the Liquidity Provider or its
1528 nominee (which may be the Securities Depository) on or before 3:00 p.m.; and

1529 C. Bonds purchased by the Registrar with funds described in Section 18.C. of this
1530 ordinance shall be registered immediately in the name of the county or its nominee on or

1531 before 3:00 p.m. Bonds so owned by the county shall continue to be Outstanding under
1532 the terms of this ordinance and be subject to all of the terms and conditions of this
1533 ordinance and shall be subject to remarketing by the Remarketing Agent.

1534 SECTION 20. Book-Entry Tenders.

1535 A. Notwithstanding any other provision of this ordinance to the contrary, all
1536 tenders for purchase during any period in which the Bonds are registered in the name of
1537 Cede & Co. (or the nominee of any successor Securities Depository) shall be subject to
1538 the terms and conditions set forth in the Letter of Representations and to any regulations
1539 promulgated by DTC (or any successor Securities Depository). For so long as the Bonds
1540 are registered in the name of Cede & Co., as nominee for DTC, the tender option rights of
1541 Owners of Bonds may be exercised only by DTC by giving notice of its election to tender
1542 Bonds or portions thereof at the times and in the manner described above. Beneficial
1543 Owners will not have any rights to tender Bonds directly to the Registrar. Procedures
1544 under which a Beneficial Owner may direct a Direct DTC Participant or DTC, or an
1545 Indirect DTC Participant acting through a Direct DTC Participant, to exercise a tender
1546 option right in respect of Bonds or portions thereof in an amount equal to all or a portion
1547 of such Beneficial Owner's beneficial ownership interest therein shall be governed by
1548 standing instructions and customary practices determined by such Direct DTC Participant
1549 or Indirect DTC Participant. For so long as the Bonds are registered in the name of Cede
1550 & Co., as nominee for DTC, delivery of Bonds required to be tendered for purchase shall
1551 be effected by the transfer on the applicable Purchase Date of a book-entry credit to the
1552 account of the Registrar of a beneficial interest in such Bonds.

1553 B. Notwithstanding anything expressed or implied herein to the contrary, so long
1554 as the Book-Entry System for the Bonds is maintained:

1555 1. There shall be no requirement of physical delivery to or by the Remarketing
1556 Agent or the Registrar of:

1557 (a) Any Bonds subject to mandatory or optional purchase as a condition to the
1558 payment of the Purchase Price therefor;

1559 (b) Any Bonds that have become Liquidity Provider Bonds; or

1560 (c) Any remarketing proceeds of such Bonds or Liquidity Provider Bonds; and

1561 2. Except as provided in Section 20.B.3. of this ordinance, the Registrar shall
1562 have no responsibility for paying the Purchase Price of any tendered Bond or for
1563 remitting remarketing proceeds to any person; and

1564 3. The Registrar's sole responsibilities in connection with the purchase and
1565 remarketing of a tendered Bond shall be:

1566 (a) To draw upon the applicable Liquidity Facility if the Remarketing Agent
1567 notifies the Registrar as provided herein that such Bond has not been remarketed on or
1568 before the Purchase Date therefor, which draw shall be in an amount equal to the
1569 difference between such Purchase Price and any remarketing proceeds received by the
1570 Remarketing Agent in connection with a partial remarketing of such Bond, and to remit
1571 the amount so drawn to or upon the order of the Securities Depository for the benefit of
1572 the tendering Beneficial Owners; and

1573 (b) To remit any proceeds derived from the remarketing of a Liquidity
1574 Provider Bond to the Liquidity Provider.

1575 SECTION 21. Non-Book-Entry Tenders. When the Bonds are not held in a
1576 Book-Entry System, the following tender procedures shall be followed:

1577 A. Bonds shall be delivered (with all necessary endorsements) at or before 12:00
1578 noon on the Purchase Date at the Principal Office of the Registrar; provided, however,
1579 that payment of the Purchase Price shall be made pursuant to this Section 21 of this
1580 ordinance only if the Bond so delivered to the Registrar conforms in all respects to the
1581 description thereof in the notice described in this Section 21 of this ordinance. Payment
1582 of the Purchase Price with respect to purchases under this Section 21 of this ordinance
1583 shall be made to the Owners of tendered Bonds by wire transfer in immediately available
1584 funds by the Registrar by 3:00 p.m. on the Purchase Date.

1585 B. If a Bond to be purchased is not delivered by the Owner to the Registrar by
1586 12:00 noon on the date on which that Bond is to be purchased, the Registrar shall hold
1587 any funds received for the purchase of those Bonds in the Purchase Fund in trust and
1588 shall pay such funds to the former Owners of the Bonds upon presentation of the Bonds.
1589 Such undelivered Bonds shall cease to accrue interest as to the former Owners on such
1590 Purchase Date and money representing the Purchase Price shall be available against
1591 delivery of those Bonds at the Principal Office of the Registrar; provided, however, that
1592 any funds which shall be so held by the Registrar and which remain unclaimed by the
1593 former Owner of a Bond not presented for purchase for a period of three years after
1594 delivery of such funds to the Registrar, shall, to the extent permitted by law, upon request
1595 in writing by the county and the furnishing of security or indemnity to the Registrar's
1596 satisfaction, be paid to the county free of any trust or lien and thereafter the former
1597 Owner of such Bond shall look only to the county and then only to the extent of the

1598 amounts so received by the county without any interest thereon, and the Registrar shall
1599 have no further responsibility with respect to such money or payment of the Purchase
1600 Price of such Bonds. The Registrar shall authenticate a replacement Bond for any
1601 undelivered Bond that may then be remarketed by the Remarketing Agent.

1602 C. The Registrar shall hold all Bonds properly tendered to it for purchase
1603 hereunder as agent and bailee of, and in escrow for the benefit of, the respective Owners
1604 of the Bonds which shall have so tendered such Bonds until money representing the
1605 Purchase Price of such Bonds shall have been delivered to or for the account of or to the
1606 order of such Owners.

1607 SECTION 22. Credit Enhancement and Liquidity Facility.

1608 A. No Credit Enhancement will initially be provided for the Bonds. From time to
1609 time while the Bonds remain Outstanding, the county may elect to provide a Credit
1610 Enhancement with respect to the Bonds (but not during an Index Rate Period or Fixed
1611 Rate Period). While a Credit Enhancement is in effect with respect to the Bonds, the
1612 Registrar shall, on the Business Day preceding each Interest Payment Date and Principal
1613 Payment Date, before 4:00 p.m. on such day, draw on the Credit Enhancement in
1614 accordance with the terms thereof so as to receive thereunder by 1:00 p.m. on said
1615 Interest Payment Date and Principal Payment Date, an amount, in immediately available
1616 funds, equal to the amount of interest and principal payable on the Bonds on such Interest
1617 Payment Date and Principal Payment Date. The proceeds of such draws shall be applied
1618 to pay principal of and interest on the Bonds prior to the application of any other funds
1619 held by the Registrar therefor. Such amounts shall be held uninvested and separate and
1620 apart from all other funds.

1621 From time to time while the Bonds remain Outstanding, upon delivery to the
1622 Registrar of a Favorable Opinion of Bond Counsel, the county may elect to terminate a
1623 Credit Enhancement with respect to the Bonds without obtaining an Alternate Credit
1624 Enhancement, and such Bonds would then be subject to mandatory tender on the
1625 Mandatory Purchase Date described in clause (e) of the definition of "Mandatory
1626 Purchase Date" in Section 1 of this ordinance.

1627 B. No Liquidity Facility will initially be provided for the Bonds. While a
1628 Liquidity Facility is in effect with respect to the Bonds, on each date on which a Bond is
1629 to be purchased, the Registrar, by demand given by Electronic Means before 12:00 noon,
1630 shall draw on the Liquidity Facility in accordance with the terms thereof so as to receive
1631 thereunder by 2:30 p.m. on such date an amount, in immediately available funds,
1632 sufficient, together with the proceeds of the remarketing of Bonds on such date, to enable
1633 the Registrar to pay the Purchase Price in connection therewith. The proceeds of such
1634 draw shall be paid to the Registrar, who shall deposit said proceeds in the Liquidity
1635 Facility Purchase Account pursuant to Section 23.B. of this ordinance.

1636 From time to time while the Bonds remain Outstanding, upon delivery to the
1637 Registrar of a Favorable Opinion of Bond Counsel, the county may elect to terminate a
1638 Liquidity Facility with respect to the Bonds without obtaining an Alternate Liquidity
1639 Facility, and such Bonds would then be subject to mandatory tender on the Mandatory
1640 Purchase Date described in clause (e) of the definition of "Mandatory Purchase Date" in
1641 Section 1 of this ordinance.

1642 C. Notwithstanding the foregoing provisions of this Section 22 of this ordinance,
1643 if a Credit Provider and Liquidity Provider are the same entity, the Registrar shall not

1644 draw on the Credit Enhancement with respect to any payments due or made in connection
1645 with Liquidity Provider Bonds. In no event shall the Registrar draw on the Credit
1646 Enhancement with respect to any payments made or made in connection with Bonds not
1647 covered by the Credit Enhancement or Bonds listed on the Register as owned by the
1648 county.

1649 D. The county may provide an Alternate Credit Enhancement or Alternate
1650 Liquidity Facility on any day on which the Bonds could otherwise be subject to
1651 redemption at par not later than the fifth Business Day prior to the Expiration Date of the
1652 Credit Enhancement or Liquidity Facility then in effect. The county shall give the Notice
1653 Parties written notice of the proposed substitution of an Alternate Credit Enhancement or
1654 Alternate Liquidity Facility no less than 2 Business Days prior to the date on which the
1655 Registrar is required to provide notice of the proposed substitution to the Owners of the
1656 Bonds. The Registrar shall give notice of such Substitution Date in accordance with
1657 Section 16 of this ordinance. On or before the Substitution Date, there shall be delivered
1658 to the Registrar: (1) the Alternate Credit Enhancement or the Alternate Liquidity Facility
1659 in substitution for the Credit Enhancement or Liquidity Facility then in effect, (2) a
1660 Favorable Opinion of Bond Counsel, (3) a written Opinion of Counsel for the provider of
1661 the Alternate Credit Enhancement or Alternate Liquidity Facility, as applicable, to the
1662 effect that such Alternate Credit Enhancement or Alternate Liquidity Facility is a valid,
1663 legal and binding obligation of the provider thereof, and (4) unless waived by such entity
1664 in a writing delivered to the Registrar, written evidence satisfactory to the Credit Provider
1665 and the Liquidity Provider of the provision for purchase from the Liquidity Provider of
1666 all Liquidity Provider Bonds, at a price equal to the principal amount thereof plus accrued

1667 and unpaid interest, and payment of all amounts due to the Credit Provider and the
1668 Liquidity Provider under the Reimbursement Agreement(s) on or before the effective
1669 date of such Alternate Credit Enhancement or Alternate Liquidity Facility. Upon the
1670 satisfaction of the conditions described in the preceding sentence, the Registrar shall
1671 accept such Alternate Credit Enhancement or Alternate Liquidity Facility on the close of
1672 business on the Substitution Date and shall surrender the Credit Enhancement or
1673 Liquidity Facility then in effect to the provider thereof on the Substitution Date;
1674 provided, however, that the Registrar shall not surrender the Credit Enhancement or
1675 Liquidity Facility then in effect unless and until the Registrar has received all amounts
1676 drawn thereunder. As provided in Section 17.C. of this ordinance, any draw on a
1677 Liquidity Facility to be made on a Substitution Date shall be on the Liquidity Facility
1678 being replaced. If any condition to the substitution is not satisfied, the substitution shall
1679 not occur but the Bonds shall remain subject to mandatory purchase on the proposed
1680 Substitution Date.

1681 E. In the event of an extension of the Expiration Date, the county will give to the
1682 Notice Parties and Owners of the affected Bonds a written notice of the new Expiration
1683 Date at least 21 days prior to the fifth Business Day prior to the Expiration Date in effect
1684 prior to the extension.

1685 F. All references in this ordinance to "Liquidity Facility" and "Liquidity
1686 Provider" will be disregarded during any period during which a Liquidity Facility is not
1687 in effect. All references in this ordinance to "Credit Enhancement" and "Credit Provider"
1688 will be disregarded during any period during which a Credit Enhancement is not in effect.

1689 G. Any claim by the Registrar on any amounts drawn under the Credit
1690 Enhancement or the Liquidity Facility or on any amounts on deposit in the Purchase Fund
1691 and its Accounts shall be subordinate to the lien thereon of the Bonds.

1692 SECTION 23. Purchase Fund. There is hereby established and there shall be
1693 maintained with the Registrar a separate fund to be known as the "Purchase Fund." The
1694 Registrar shall further establish separate accounts within the Purchase Fund to be known
1695 as the "Remarketing Proceeds Account," the "Liquidity Facility Purchase Account" and
1696 the "County Purchase Account." All funds in any account within the Purchase Fund shall
1697 be held solely for the benefit of Owners of the Bonds.

1698 A. Remarketing Proceeds Account. Upon receipt of the proceeds of a
1699 remarketing of a Bond on the date such Bond is to be purchased, the Registrar will
1700 deposit those proceeds in the Remarketing Proceeds Account for application to the
1701 Purchase Price of that Bond. Notwithstanding the foregoing, upon the receipt of the
1702 proceeds of a remarketing of Liquidity Provider Bonds, the Registrar will immediately
1703 pay such proceeds to the Liquidity Provider to the extent of any amount owing to the
1704 Liquidity Provider.

1705 B. Liquidity Facility Purchase Account. Upon receipt of the proceeds of a draw
1706 made under the Liquidity Facility, the Registrar will deposit such money in the Liquidity
1707 Facility Purchase Account for application to the Purchase Price of the Bonds to the extent
1708 that the money on deposit in the Remarketing Proceeds Account is not sufficient. Any
1709 amounts deposited in the Liquidity Facility Purchase Account and not needed with
1710 respect to the Purchase Price for any Bonds will be immediately returned to the Liquidity
1711 Provider.

1712 C. County Purchase Account. Upon receipt of funds from the county pursuant to
1713 Section 18.C. of this ordinance, the Registrar shall deposit those funds in the County
1714 Purchase Account for application to the Purchase Price of the Bonds. Any Bonds so
1715 purchased shall be "County Bonds," and held by the Registrar for and on behalf of the
1716 county or any nominee for (or any Person who owns such Bonds for the sole benefit of)
1717 the county. Any amounts deposited in the County Purchase Account and not needed with
1718 respect to the Purchase Price for any Bonds will be immediately refunded to the county.

1719 D. No Investment. Amounts held in the Purchase Fund and its Accounts shall be
1720 held uninvested and separate and apart from all other funds and accounts.

1721 SECTION 24. Insufficient Funds for Tenders.

1722 A. Except with respect to Index Rate Bonds, if money sufficient to pay the
1723 Purchase Price of all tendered Bonds to be purchased on any Purchase Date is not
1724 available (1) no purchase shall be consummated on such Purchase Date, (2) all tendered
1725 Bonds shall be returned to the Owners thereof, (3) all remarketing proceeds shall be
1726 returned to the Remarketing Agent for return to the Persons providing such money, and
1727 (4) all proceeds of draws under the Liquidity Facility, if any, shall be returned to the
1728 Liquidity Provider.

1729 B. All Unremarketed Bonds shall bear interest at the Unremarketed Bonds Rate
1730 during the period of time from and including the applicable Purchase Date to, but
1731 excluding, the date that all such tendered Bonds are successfully remarketed (the
1732 "Delayed Remarketing Period").

1733 C. The county may direct the conversion of the tendered Bonds to a different
1734 Mode during the Delayed Remarketing Period in accordance with Section 13 of this

1735 ordinance; provided, that the county shall not be required to comply with the notice
1736 requirements described in Section 13 of this ordinance.

1737 D. Subject to the terms of the Remarketing Agreement, the Remarketing Agent
1738 shall continue to use its best efforts to remarket all of the tendered Bonds.

1739 E. During the Delayed Remarketing Period, the Registrar may, upon written
1740 direction of the county, apply funds provided by the county to the redemption of such
1741 tendered Bonds, as a whole or in part on any Business Day during the Delayed
1742 Remarketing Period, at a redemption price equal to the principal amount thereof, together
1743 with interest accrued thereon to the date fixed for redemption, without premium. The
1744 Registrar shall give five Business Days' notice of such redemption to the Owners of the
1745 Bonds to be redeemed.

1746 F. During the Delayed Remarketing Period, interest on such tendered Bonds shall
1747 be paid to the Owners thereof on the first Business Day of each calendar month occurring
1748 during the Delayed Remarketing Period, and also on the last day of the Delayed
1749 Remarketing Period.

1750 SECTION 25. Bond Fund. There has heretofore been created in the office of the
1751 Finance Director a special fund known as the "King County Limited Tax General
1752 Obligation Bond Redemption Fund" to be drawn upon for the purpose of paying the
1753 principal of and interest on the limited tax general obligation bonds of the county. There
1754 is hereby authorized to be created within said fund a special account for the Bonds to be
1755 known as the "Multi-Modal Limited Tax General Obligation Refunding Bond
1756 Redemption Account, 2013" (the "Bond Fund").

1757 The taxes hereafter levied for the purpose of paying principal of and interest on
1758 the Bonds and other funds to be used to pay the Bonds shall be deposited in the Bond
1759 Fund no later than the date such funds are required for the payment of principal of and
1760 interest on the Bonds; provided, however, that if the payment of principal of and interest
1761 on the Bonds is required prior to the receipt of such levied taxes, the county may make an
1762 interfund loan to the Bond Fund pending actual receipt of such taxes. The Bond Fund
1763 shall be drawn upon for the purpose of paying the principal of and interest on the Bonds.
1764 Money in the Bond Fund not needed to pay the interest or principal next coming due may
1765 temporarily be deposited in such institutions or invested in such obligations as may be
1766 lawful for the investment of county funds. The Bond Fund shall be a second tier fund in
1767 accordance with Ordinance 7112 and K.C.C. chapter 4.10.

1768 SECTION 26. Pledge of Taxation and Credit. The county hereby irrevocably
1769 covenants and agrees, for as long as any of the Bonds are Outstanding and unpaid, that
1770 each year it will include in its budget and levy an *ad valorem* tax within the constitutional
1771 and statutory tax limitations provided by law without a vote of the people upon all the
1772 property within the county subject to taxation in an amount that will be sufficient,
1773 together with all other revenues, taxes and money of the county legally available for such
1774 purposes, to pay the principal of and interest on the Bonds as the same shall become due.

1775 The county hereby irrevocably pledges that the annual tax provided for herein to
1776 be levied for the payment of such principal and interest shall be within and as a part of
1777 the tax levy to counties without a vote of the people, and that a sufficient portion of each
1778 annual levy to be levied and collected by the county prior to the full payment of the

1779 principal of and interest on the Bonds will be and is hereby irrevocably set aside, pledged
1780 and appropriated for the payment of the principal of and interest on the Bonds.

1781 The full faith, credit and resources of the county are hereby irrevocably pledged
1782 for the annual levy and collection of said taxes and for the prompt payment of the
1783 principal of and interest on the Bonds as the same shall become due.

1784 SECTION 27. Refunding Fund: Escrow Account and Issuance Costs Account.

1785 There is hereby authorized to be created a special fund of the county to be maintained
1786 with a corporate trustee selected by the Finance Director (herein called the "Escrow
1787 Agent"), which will be known as the "King County, Washington Multi-Modal Limited
1788 Tax General Obligation Bonds, 2009, Series A, Refunding Fund" (herein called the
1789 "Refunding Fund"). The Refunding Fund shall consist of an Escrow Account and an
1790 Issuance Costs Account. The Refunding Fund is to be drawn upon for the purpose of
1791 paying the redemption price of the 2009A Bonds equal to the principal amount thereof
1792 plus accrued interest to their redemption on the Date of Issue, and paying costs and
1793 expenses incurred in issuing the Bonds.

1794 Funds deposited in the Refunding Fund and its accounts shall not be invested.
1795 Money other than proceeds of the Bonds may be deposited into the Refunding Fund and
1796 its accounts; provided, however, that proceeds of the Bonds shall be accounted for
1797 separately for purposes of the arbitrage rebate computations required to be made under
1798 the Code. For purposes of such computations, Bond proceeds shall be deemed to have
1799 been expended first, and then any other funds.

1800 SECTION 28. Application of Bond Proceeds; Refunding Plan. All of the
1801 proceeds from the sale of the Bonds shall be paid to the Escrow Agent for deposit into the

1802 Escrow Account and the Issuance Costs Account of the Refunding Fund. The exact
1803 amounts of proceeds from the sale of the Bonds to be deposited into (a) the Escrow
1804 Account and applied to the refunding, redemption and retirement of the 2009A Bonds,
1805 and (b) the Issuance Costs Account and applied to pay the incidental costs and the costs
1806 related to the sale and issuance of the Bonds, shall be determined by the Finance Director
1807 upon the sale of the Bonds.

1808 The county hereby conditionally calls the 2009A Bonds for redemption on the
1809 Date of Issue in accordance with the provisions of the 2009A Bond Legislation; provided,
1810 that such call for redemption shall become irrevocable only after the final establishment
1811 and funding of the Refunding Fund and its accounts.

1812 The Escrow Agent is hereby authorized and directed to work with the 2009A
1813 Bond Registrar to provide for the giving of notice of the redemption of the 2009A Bonds
1814 in accordance with the 2009A Bond Legislation. The Finance Director is authorized and
1815 requested to provide the Escrow Agent with whatever assistance is necessary to
1816 accomplish such redemption. Any costs of publication of such notice shall be an expense
1817 of the county.

1818 The Escrow Agent is hereby authorized and directed to pay to the 2009A Bond
1819 Registrar sums sufficient to pay, when due, the redemption price of the 2009A Bonds
1820 equal to the principal amount thereof plus accrued interest to their redemption on the
1821 Date of Issue. All such sums shall be paid from the Bond proceeds deposited with said
1822 Escrow Agent pursuant to this section. All such sums so paid shall be charged to the
1823 Escrow Account of the Refunding Fund. All monies deposited with the Escrow Agent

1824 shall be held and applied in accordance with the provisions of this ordinance and with the
1825 laws of the State of Washington for the benefit of the owners of the 2009A Bonds.

1826 The county will take such actions as are found necessary to see that all necessary
1827 and proper fees, compensation and expenses of the Escrow Agent for refunding,
1828 redemption and retirement of the 2009A Bonds shall be paid when due.

1829 The Finance Director is authorized and directed to select a corporate trustee to
1830 serve as Escrow Agent and to obtain from the Escrow Agent an agreement setting forth
1831 the duties, obligations and responsibilities of the Escrow Agent in connection with the
1832 refunding, redemption and retirement of the 2009A Bonds as provided herein and stating
1833 that such provisions for the payment of the fees, compensation and expenses of such
1834 Escrow Agent are satisfactory to it. In order to carry out the purposes of this section, the
1835 Finance Director is authorized and directed to execute and deliver to the Escrow Agent
1836 such agreement when the provisions thereof have been fixed and determined.

1837 SECTION 29. Defeasance. If money and/or noncallable Government
1838 Obligations maturing at such time or times and bearing interest to be earned thereon in
1839 amounts (together with such money, if necessary) sufficient to redeem and retire, refund
1840 or defease part or all of Bonds in a Long-Term Mode in accordance with their terms, are
1841 set aside in a special account of the county to effect such refunding, redemption and
1842 retirement, and such money and the principal of and interest on such Government
1843 Obligations are irrevocably set aside and pledged for such purpose, then no further
1844 payments need be made into the Bond Fund for the payment of the principal of and
1845 interest on the Bonds so provided for, and such Bonds shall cease to be entitled to any
1846 lien, benefit or security of this ordinance except the right to receive the money so set

1847 aside and pledged, and such Bonds shall be deemed not to be Outstanding hereunder.

1848 Bonds in any Short-Term Mode may not be defeased.

1849 SECTION 30. Federal Tax Law Covenants. The county shall comply with the
1850 provisions of this section unless, in the Opinion of Bond Counsel, such compliance is not
1851 required.

1852 The county hereby covenants that it will not make any use of the proceeds from
1853 the sale of the Bonds (or of any other funds of the county that may be deemed to be
1854 proceeds of the Bonds pursuant to Section 148 of the Code and the applicable regulations
1855 thereunder) that will cause the Bonds to be "arbitrage bonds" within the meaning of said
1856 Section 148 of the Code and said regulations. The county will comply with the
1857 applicable requirements of Section 148 of the Code (or any successor provision thereof
1858 applicable to the Bonds) and the applicable regulations thereunder throughout the term of
1859 the Bonds. In particular, the county will compute, if necessary, and pay the Rebate
1860 Amount, if any, to the United States of America at the times and in the amounts
1861 necessary to meet the requirements of the Code, as set forth in the Tax Certificate for the
1862 Bonds.

1863 The county further covenants that it will not take any action or permit any action
1864 to be taken that would cause the Bonds to constitute "private activity bonds" under
1865 Section 141 of the Code that are not "qualified bonds," as defined in said Section 141 of
1866 the Code.

1867 SECTION 31. Other Covenants and Warranties. The county makes the following
1868 additional covenants and warranties:

1869 A. The county has full legal right, power and authority to adopt this ordinance, to
1870 sell, issue and deliver the Bonds as provided herein, and to carry out and consummate all
1871 other transactions contemplated by this ordinance.

1872 B. By all necessary official action prior to or concurrently herewith, the county
1873 has duly authorized and approved the execution and delivery of, and the performance by
1874 the county of its obligations contained in the Bonds and this ordinance and the
1875 consummation by it of all other transactions necessary to effectuate this ordinance in
1876 connection with the issuance of the Bonds, and such authorizations and approvals are in
1877 full force and effect and have not been amended, modified or supplemented in any
1878 material respect.

1879 C. This ordinance constitutes a legal, valid and binding obligation of the county.

1880 D. When issued, sold, authenticated and delivered, the Bonds will constitute
1881 legal, valid and binding general obligations of the county.

1882 E. The county will maintain or cause to be maintained a system of registration of
1883 the Bonds that complies with the applicable provisions of the Code until all of the Bonds
1884 shall have been surrendered and canceled.

1885 F. The adoption of this ordinance, and compliance on the county's part with the
1886 provisions contained herein, will not conflict with, constitute a breach of, or constitute a
1887 default under, any constitutional provisions, law, administrative regulation, judgment,
1888 decree, loan agreement, indenture, bond, note, resolution, ordinance, motion, agreement
1889 or other instrument to which the county is a party or to which the county or any of its
1890 property or assets are otherwise subject.

1891 G. The county finds and covenants that the Bonds are issued within all statutory
1892 and constitutional debt limitations applicable to the county.

1893 SECTION 32. Registrar.

1894 A. Fiscal Agency Agreement. The Registrar shall serve as registrar, paying agent
1895 and tender agent for the Bonds and shall perform such duties in accordance with the
1896 Fiscal Agency Agreement. Unless the county exercises its right under 32.B of this
1897 ordinance to remove the Registrar, any successor fiscal agent under the Fiscal Agency
1898 Agreement shall serve as Registrar under this ordinance. Notwithstanding anything to
1899 the contrary in the Fiscal Agency Agreement, the Registrar shall not seek any indemnity
1900 or other security as a condition precedent to drawing on any Liquidity Facility or Credit
1901 Enhancement, making any payment of principal of, interest on or the Purchase Price for
1902 any Bonds, or effecting any mandatory purchase or redemption of any Bonds.

1903 B. Removal of Registrar. The county may remove the Registrar at any time at
1904 the option of the Finance Director upon prior notice to the Notice Parties and
1905 appointment by the Finance Director on behalf of the county of a successor Registrar on
1906 terms and conditions to be set forth in a written agreement between the county and such
1907 successor Registrar. Any successor Registrar must be a trust company or commercial
1908 bank with trust powers. No resignation or removal of the Registrar shall be effective
1909 until a successor is appointed and the successor Registrar accepts the duties of the
1910 Registrar hereunder and receives the Credit Enhancement and Liquidity Facility, together
1911 with all other funds then held by the Registrar.

1912 SECTION 33. Remarketing Agent.

1913 A. Finance Director to Appoint Remarketing Agent. If necessary or desirable to
1914 comply with provisions of this ordinance, the Finance Director may appoint a
1915 Remarketing Agent to remarket Bonds and perform other duties of the Remarketing
1916 Agent described in this ordinance. Any Remarketing Agent must be a member of the
1917 Financial Industry Regulatory Authority, have a capitalization of at least \$50,000,000, be
1918 authorized by law to perform all the duties set forth in this ordinance and be acceptable to
1919 the Credit Provider and Liquidity Provider, if any. The Finance Director is authorized to
1920 execute and deliver a Remarketing Agreement with the Remarketing Agent on behalf of
1921 the county. The county council authorizes and directs the Finance Director and all other
1922 proper officers, agents, attorneys and employees of the county to cooperate with the
1923 Remarketing Agent in preparing and executing such additional agreements, certificates,
1924 and other documentation on behalf of the county as shall be necessary or advisable in
1925 providing for appointment of the Remarketing Agent. The Remarketing Agent shall keep
1926 such books and records as are consistent with prudent industry practice and make such
1927 books and records available for inspection by the Notice Parties at all reasonable times.

1928 B. Resignation or Removal of Remarketing Agent. The Remarketing Agent may
1929 at any time resign and be discharged of the duties and obligations with respect to the
1930 Bonds created by this ordinance as set forth in the Remarketing Agreement. The
1931 Remarketing Agent may suspend its remarketing efforts as set forth in the Remarketing
1932 Agreement. The county council authorizes the Finance Director to remove the
1933 Remarketing Agent at any time, in accordance with the Remarketing Agreement, when
1934 the Finance Director, in consultation with the county's financial advisors, determines that
1935 such removal is necessary or beneficial to the county. Any successor Remarketing Agent

1936 shall be appointed by the Finance Director, shall be a member of the Financial Industry
1937 Regulatory Authority, shall have a capitalization of at least \$50,000,000, shall be
1938 authorized by law to perform all the duties set forth in this ordinance and shall be
1939 acceptable to the Credit Provider and Liquidity Provider, if any. The county council
1940 authorizes and directs the Finance Director and all other proper officers, agents, attorneys
1941 and employees of the county to cooperate with any successor Remarketing Agent in
1942 preparing and executing such additional agreements, certificates, and other
1943 documentation on behalf of the county as shall be necessary or advisable in providing for
1944 replacement of the Remarketing Agent.

1945 The delivery to the Registrar of a certificate of the Finance Director setting forth
1946 the effective date of the appointment of a successor Remarketing Agent and the name of
1947 such successor shall be conclusive evidence that (1) if applicable, the predecessor
1948 Remarketing Agent has been removed in accordance with the provisions of this ordinance
1949 and (2) such successor has been appointed and is qualified to act as Remarketing Agent
1950 under the terms of this ordinance.

1951 C. Merger or Consolidation. If the Remarketing Agent consolidates with, merges
1952 or converts into, or transfers all or substantially all of its assets (or, in the case of a bank,
1953 national banking association or trust company, its corporate assets) to, another
1954 corporation, the resulting, surviving or transferee corporation without any further act
1955 shall be the successor Remarketing Agent.

1956 SECTION 34. Calculation Agent.

1957 A. Appointment of Calculation Agent. During the Initial Period, the Calculation
1958 Agent shall be Bank of America, N.A. During any other Index Rate Period, the

1959 Calculation Agent shall be the Registrar or such other Person meeting the requirements
1960 set forth in this Section 34.A. of this section as the Finance Director may appoint, with
1961 the Bank's consent, to perform the duties of the Calculation Agent described in this
1962 ordinance. The Calculation Agent shall be a corporation duly organized under the laws
1963 of the United States of America or any state or territory thereof and shall be authorized by
1964 law to perform all the duties imposed upon it by this ordinance and may be the Registrar,
1965 the Bank, the Liquidity Provider, the Credit Provider or any other Person, but may not be
1966 the county or an Affiliate of the county. Any Calculation Agent which is not also the
1967 Bank or the Registrar shall designate its principal office and signify its acceptance of the
1968 duties and obligations imposed upon it hereunder by a written instrument of acceptance
1969 delivered to the county and the Registrar in which the Calculation Agent will agree to
1970 perform all calculations and provide all notices required of the Calculation Agent under
1971 this ordinance.

1972 B. Resignation or Removal of Calculation Agent. The Calculation Agent may at
1973 any time resign and be discharged of the duties and obligations created by this ordinance
1974 by giving at least 60 days' written notice to the county, the Registrar, the Bank, any
1975 Remarketing Agent, any Liquidity Provider and any Credit Provider. The Calculation
1976 Agent may be removed by the county at any time by giving at least 15 days' written
1977 notice to the Registrar, the Bank, any Remarketing Agent, any Liquidity Provider and any
1978 Credit Provider; provided, that such resignation or removal shall not be effective until a
1979 successor Calculation Agent assumes such position in accordance with the provisions
1980 hereof. Upon receipt of such notice of resignation or removal, during any Mode in which
1981 the services of a Calculation Agent are required under this ordinance, the county will

1982 diligently seek to appoint a successor Calculation Agent to assume the duties of the
1983 Calculation Agent on the effective date of the prior Calculation Agent's resignation. In
1984 the event that the county shall fail to appoint a successor Calculation Agent in a timely
1985 manner when required under this ordinance, the Registrar shall either (1) appoint a
1986 Calculation Agent to act as such, or (2) petition any court of competent jurisdiction for
1987 the appointment of a successor Calculation Agent, and such court may thereupon, after
1988 such notice, if any, as it may deem proper, appoint such successor Calculation Agent;
1989 provided however, that during the pendency of any such petition the Registrar shall itself
1990 act as Calculation Agent, service in any such case shall commence on the effective date
1991 of the resignation of the prior Calculation Agent and to remain in effect until a successor
1992 Calculation Agent assumes such position in accordance with the provisions of this
1993 ordinance.

1994 SECTION 35. Credit Enhancement and Liquidity Facility. The county council
1995 authorizes the Finance Director to obtain a Credit Enhancement or Liquidity Facility or to
1996 obtain an Alternate Credit Enhancement or Alternate Liquidity Facility at any time and
1997 from time to time when the Finance Director, in consultation with the county's financial
1998 advisors, determines that obtaining any such instruments is necessary or beneficial to the
1999 county. The county council authorizes and directs the Finance Director and all other
2000 proper officers, agents, attorneys and employees of the county to cooperate with any such
2001 Credit Provider or Liquidity Provider, or the providers of any Alternate Credit
2002 Enhancement or Alternate Liquidity Facility, in preparing and executing such
2003 agreements, certificates, and other documentation on behalf of the county as shall be
2004 necessary or advisable in providing for any such instrument.

2005 SECTION 36. Sale of Bonds. The Bonds shall be sold by negotiated sale to the
2006 Bank in an original aggregate principal amount not to exceed \$42,500,000 pursuant to the
2007 Agreement in substantially the form set forth as Attachment B to this ordinance. The
2008 county council authorizes the Finance Director to determine the exact original aggregate
2009 principal amount of the Bonds and the date of the sale of the Bonds, and to execute and
2010 deliver the Agreement on behalf of the county, with such changes as may be consistent
2011 with this ordinance. The Finance Director and all other proper officers, agents, attorneys
2012 and employees of the county are hereby authorized and directed to do everything
2013 necessary for the prompt execution and delivery of the Bonds to the Bank and for the
2014 proper application and use of the proceeds of sale thereof, all in accordance with the
2015 Agreement and this ordinance.

2016 SECTION 37. Extension or Replacement of Agreement. The Finance Director is
2017 hereby authorized to negotiate (A) one or more extensions of the Agreement or (B) the
2018 purchase of the Bonds by an Owner other than the Bank pursuant to a subsequent
2019 Agreement with that Owner, on terms and conditions acceptable to the Finance Director.

2020 SECTION 38. Amendments.

2021 A. Amendments without Owners' Consent. This ordinance may be amended or
2022 supplemented from time to time, without the consent of the Owners by a supplemental
2023 ordinance passed by the county council for one or more of the following purposes:

2024 1. To add additional covenants of the county or to surrender any right or power
2025 herein conferred upon the county;

2026 2. To cure any ambiguity or to cure, correct or supplement any defective
2027 (whether because of any inconsistency with any other provision hereof or otherwise)

2028 provision of this ordinance or to make any other provisions with respect to matters or
2029 questions arising under this ordinance, provided such action shall not impair the security
2030 hereof or adversely affect the interests of the Owners;

2031 3. To provide or modify procedures permitting the Bonds to be held in a Book-
2032 Entry System or Owners to utilize a certificated system of registration for Bonds;

2033 4. To modify, alter, amend, supplement or restate this ordinance in any and all
2034 respects necessary, desirable or appropriate in connection with the delivery of an
2035 Alternate Credit Enhancement or Alternate Liquidity Facility (other than modifying
2036 notice provisions to Owners of the Bonds);

2037 5. To modify, alter, amend, supplement or restate this ordinance in any and all
2038 respects necessary, desirable or appropriate to satisfy the requirements of any Rating
2039 Agency to obtain or retain a rating on the Bonds as the county deems necessary;
2040 provided, that such action shall not impair the security hereof or materially adversely
2041 affect the interests of the Owners; or

2042 6. For any purpose, (1) on any Mandatory Purchase Date and (2) at any time
2043 during the Daily Mode or the Weekly Mode; provided, that notice of such amendment is
2044 given by first class mail to each Owner of Bonds at least 30 days prior to the effective
2045 date of such amendment.

2046 B. Amendments with Owners' Consent. This ordinance may be amended from
2047 time to time by a supplemental ordinance; provided, that (1) no amendment shall be made
2048 that affects the rights of some but fewer than all of the Owners of the Outstanding Bonds
2049 without the consent of the Owners of a majority in aggregate principal amount of the
2050 Bonds so affected, and (2) without the consent of the Owners of all Outstanding Bonds

2051 affected thereby, no amendment shall be made that alters the interest rates or premium on
2052 or principal amount of any Bonds, the Maturity Date, Interest Payment Dates, purchase
2053 upon tender or redemption provisions of any Bonds or this Section 38.B. of this
2054 ordinance Notwithstanding any provision of this Section 38 of this ordinance to the
2055 contrary, so long as no event of default has occurred under the Credit Enhancement, any
2056 provision of this ordinance may be amended with the consent solely of the Credit
2057 Provider for such Credit Enhancement.

2058 C. Amendments on Mandatory Purchase Date. The Owner of a Bond shall be
2059 deemed to have consented to any amendment proposed to become effective on any
2060 Mandatory Purchase Date for such Bond so long as the Purchase Price is paid in full on
2061 such Mandatory Purchase Date.

2062 D. Consent of Credit Provider and Liquidity Provider Required. Any amendment
2063 or supplement to this ordinance shall require the prior written consent of the Credit
2064 Provider and Liquidity Provider if the rights of the Credit Provider or the Liquidity
2065 Provider, as the case may be, will be adversely affected thereby.

2066 SECTION 39. Acts of Owners. Any action to be taken by Owners may be
2067 evidenced by one or more concurrent written instruments of similar tenor signed or
2068 executed by such Owners in person or by an agent appointed in writing. The fact and
2069 date of the execution by any Person of any such instrument may be proved by
2070 acknowledgment before a notary public or other officer empowered to take
2071 acknowledgments or by an affidavit of a witness to such execution or by any other
2072 method satisfactory to the Registrar. Any action by the Owner of any Bond shall bind all
2073 future Owners of the same Bond or of any Bond issued upon the exchange or registration

2074 of transfer thereof in respect of anything done or suffered by the county or the Registrar
2075 in pursuance thereof.

2076 SECTION 40. Specific Authorization. In addition to the authority granted to the
2077 Finance Director elsewhere in this ordinance, the Finance Director may, in his or her
2078 discretion, without further action by the county council, (1) authorize conversions from
2079 one Mode to another and execute agreements and certificates as necessary or desirable to
2080 effect such conversions, and (2) execute a continuing disclosure undertaking on behalf of
2081 the county when necessary to comply with the Rule.

2082 SECTION 41. Notices to Notice Parties. Except as otherwise specifically
2083 provided for in this ordinance, all notices required by the terms hereof to be given to the
2084 Registrar, the county or the Owners of the Bonds shall be deemed given, if given in
2085 writing and mailed by first-class mail, postage prepaid, and

2086 A. If to the Registrar, addressed to The Bank of New York Mellon, at 101
2087 Barclay Street, 7W, New York, NY 10286, Attention: Corporate Trust Registrar
2088 Administration;

2089 B. If to the county, addressed to King County, Office of the Director, Finance
2090 and Business Operations Division, at 500 Fourth Avenue, Room 600, Seattle, WA 98104,
2091 Attention: Treasury Services;

2092 C. If to the Credit Provider, addressed to it at the address set forth in the
2093 Reimbursement Agreement;

2094 D. If to the Liquidity Provider, addressed to it at the address set forth in the
2095 Reimbursement Agreement;

2096 E. If to the Remarketing Agent, addressed to it at the address set forth in the
2097 Remarketing Agreement;

2098 F. If to the Bank, addressed to it at the address set forth in the Agreement; and

2099 G. If to any Owner of a Bond, addressed to such Owner at the address set forth in
2100 the Register; or, as to the county or the Registrar, as any of them shall from time to time
2101 designate by notice in writing to the others.

2102 SECTION 42. Notice to Rating Agencies. So long as the Bonds bear a rating
2103 from any Rating Agency, at such time as there is a change in the Registrar, any
2104 Remarketing Agent, any Credit Provider, or any Liquidity Provider, or any successors
2105 thereto, any amendment is made to this ordinance, or a Credit Enhancement or Liquidity
2106 Facility expires or terminates or is extended or replaced, or whenever there is (A) a
2107 conversion of the Bonds from one Mode to another, (B) a redemption or defeasance of
2108 the Bonds, or (C) a mandatory tender for purchase of the Bonds in the event of
2109 nonreinstatement of interest after an interest drawing on the Credit Enhancement or
2110 Liquidity Facility, the county shall give written notice of the same to Moody's at 7 World
2111 Trade Center, 250 Greenwich Street, New York, NY 10007, Attention: Public Finance
2112 Group - Full Support Group; to S&P at 55 Water Street, New York, NY 10041,
2113 Attention: Municipal Structured Finance Group; and to Fitch at One State Street Plaza,
2114 New York, NY 10004, Attention: Municipal Structured Finance. In addition, so long as
2115 the Bonds bear a rating from any Rating Agency, copies of all notices required to be
2116 given under this ordinance shall likewise be given to such Rating Agency at the addresses
2117 set forth in the preceding sentence, and the county shall provide to any Rating Agency

2118 any other information reasonably requested by the Rating Agency to maintain the ratings
2119 of the Bonds.

2120 SECTION 43. Legal Investments. The county reserves the right to purchase
2121 Bonds at any time as a legal investment for funds of the county including but not limited
2122 to funds held by the county for the investment pool established pursuant to K.C.C.
2123 chapter 4.10.

2124 SECTION 44. Severability. In case any one or more of the provisions of this
2125 ordinance or of the Bonds shall, for any reason, be held to be illegal or invalid, such
2126 illegality or invalidity shall not affect any other provisions of this ordinance or of such
2127 Bonds, and this ordinance and the Bonds shall be construed and enforced to the end that

2128 the transactions contemplated hereby be effected and the obligations contemplated hereby
2129 be enforced as if such illegal or invalid provisions had not been contained therein.
2130

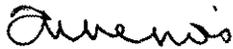
Ordinance 17617 was introduced on 6/10/2013 and passed by the Metropolitan King County Council on 7/8/2013, by the following vote:

Yes: 9 - Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague,
Ms. Patterson, Ms. Lambert, Mr. Dunn, Mr. McDermott and Mr.
Dembowski
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

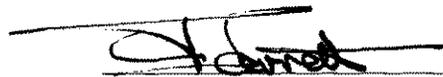

Larry Gossett, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 12TH day of July, 2013.



Dow Constantine, County Executive

Attachments: A. Multi-Modal Limited Tax General Obligation Refunding Bond, 2013, B. Continuing Covenant Agreement, C. Investor Letter

Attachment A: Multi-Modal Limited Tax General Obligation Refunding Bond, 2013 - 17617

NO. ____

\$ _____

UNITED STATES OF AMERICA

STATE OF WASHINGTON

KING COUNTY, WASHINGTON

MULTI-MODAL LIMITED TAX GENERAL OBLIGATION REFUNDING BOND, 2013

MATURITY DATE:
June 1, 2029

DATE OF ISSUE:
_____, 2013

CUSIP NO. :

OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS AND NO/100
(\$ _____)

KING COUNTY, WASHINGTON (the "County"), hereby acknowledges itself to owe and for value received promises to pay to the Owner identified above, on the Maturity Date specified above, the Principal Amount specified above and to pay interest thereon determined as provided in the Bond Ordinance (hereinafter defined) in the interest rate mode described below from the most recent Interest Payment Date to which interest has been paid or duly provided for, or from the Date of Issue specified above if no interest has been paid or duly provided for, whichever is later, such payments of interest to be made on each Interest Payment Date until the principal hereof has been paid or duly provided for as aforesaid. Capitalized terms used in this Bond have the meanings given such terms in Ordinance ____ (the "Bond Ordinance").

The principal of, premium, if any, and interest on this Bond are payable in lawful money of the United States of America. While Bonds are held in fully immobilized form by The Depository Trust Company, a New York corporation ("DTC"), payments of the principal of and interest on this Bond shall be made as provided in accordance with the operational arrangements of DTC referred to in the Blanket Issuer Letter of Representations, dated May 1, 1995 (the "Letter of Representations"), by and between the County and DTC. In the event that the Bonds are no longer held in an immobilized "book entry" registration system, the principal of and premium, if any, on this Bond shall be paid to the Owner on the Principal Payment Date upon presentation and surrender of this Bond at the Principal Office of the fiscal agency of the State of Washington in New York, New York (the "Registrar"), and the interest hereon shall be paid by the Registrar on each Interest Payment Date by wire transfer of immediately available funds to an account specified by the Owner in a writing delivered to the Registrar.

The Bonds will be issued initially in the Index Rate Mode and shall bear interest at the SIFMA Index Rate determined as provided in the Bond Ordinance from (and including) the Date of Issue to, but excluding, the Initial Bank Purchase Date, until the Mode for the Bonds is

converted to another Mode (including a subsequent Index Rate Mode) as provided in the Bond Ordinance.

This Bond is one of a duly authorized issue designated as the “King County, Washington, Multi-Modal Limited Tax General Obligation Refunding Bonds, 2013” (the “Bonds”). The Bonds are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington, the County Charter and applicable legislation of the County, including, but not limited to, the Bond Ordinance. The Bonds are issued to refund, redeem and retire all of the County’s outstanding Multi-Modal Limited Tax General Obligation Bonds, 2009, Series A, and to pay the costs of issuing the Bonds.

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

The County has irrevocably covenanted in the Bond Ordinance that, for as long as any Bonds are Outstanding and unpaid, each year it will include in its budget and levy an *ad valorem* tax within the constitutional and statutory tax limitations provided by law 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, taxes and money of the County legally available for such purposes, to pay the principal of and interest on the Bonds as the same shall become due. The County has irrevocably pledged its full faith, credit and resources for the annual levy and collection of such taxes and for the prompt payment of the principal of and interest on the Bonds as the same shall become due.

The pledge of tax levies for repayment of principal of and interest on the Bonds may be discharged prior to maturity of the Bonds by making provision for the payment thereof on the terms and conditions set forth in the Bond Ordinance.

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

Unless this certificate is presented by an authorized representative of DTC to the Registrar for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington and the Charter and the ordinances of the County to exist, to have happened, been done and performed precedent to and in the issuance of this Bond have happened, been done and performed and that the issuance of this Bond and the Bonds of this

series does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the County may incur.

IN WITNESS WHEREOF, the County has caused this Bond to be executed by the manual or facsimile signatures of the County Executive and the Clerk of the County Council, and the seal of the County to be impressed or imprinted hereon, as of this ____ day of _____, 2013.

KING COUNTY, WASHINGTON

By _____
County Executive

ATTEST:

Clerk of the Council

[SEAL]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the King County, Washington, Multi-Modal Limited Tax General Obligation Refunding Bonds, 2013, described in the within-mentioned Bond Ordinance.

WASHINGTON STATE FISCAL
AGENCY, as Registrar

By _____
Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION
NUMBER OF TRANSFEREE

[]

(Please print or typewrite name and address, including zip code of Transferee)

the within Bond and does hereby irrevocably constitute and appoint _____
_____, or its successor, as Registrar to transfer said Bond on the books kept for
registration thereof with full power of substitution in the premises.

DATED: _____.

NOTE: The signature on this Assignment must correspond with the name of the Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

SIGNATURE GUARANTEED:

NOTE: Signature must be guaranteed by an eligible guarantor.

CONTINUING COVENANT AGREEMENT

dated as of _____, 2013,

between

KING COUNTY, WASHINGTON

and

BANC OF AMERICA PREFERRED FUNDING CORPORATION

Relating to

\$42,500,000
KING COUNTY, WASHINGTON
MULTI-MODAL LIMITED TAX GENERAL OBLIGATION
REFUNDING BONDS, 2013

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SCHEDULE I – ADDRESSES

CONTINUING COVENANT AGREEMENT

This CONTINUING COVENANT AGREEMENT dated as of [_____, 2013] (as amended, modified or restated from time to time, this “*Agreement*”), between King County, Washington (the “*County*”), a political subdivision of the State of Washington, and Banc of America Preferred Funding Corporation.

RECITALS

WHEREAS, the County has authorized the issuance of its King County, Washington, Multi-Modal Limited Tax General Obligation Refunding Bonds, 2013 (the “*Bonds*”) pursuant to [Ordinance ____] (as hereinafter defined) to refund, redeem and retire all of its outstanding King County, Washington, Multi-Modal Limited Tax General Obligation Bonds, 2009, Series A; and

WHEREAS, the Purchaser has agreed to purchase the Bonds in Index Rate Mode (as hereinafter defined) bearing interest at the SIFMA Index Rate (as hereinafter defined, and as a condition to such purchase, the Purchaser has required the County to enter into this Agreement.

NOW, THEREFORE, to induce the Purchaser to purchase the Bonds, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the County and the Purchaser hereby agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

Section 1.01. Defined Terms. In addition to the terms defined in the recitals and elsewhere in this Agreement and [Ordinance ____], the following terms shall have the meanings set forth below:

“*Affiliate*” means, with respect to any Person, any Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person. A Person shall be deemed to control another Person for the purposes of this definition if such first Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

“*Agreement*” has the meaning set forth in the introductory paragraph hereof.

“*Amortization End Date*” means the earliest to occur of (a) the third (3rd) anniversary of the Initial Bank Purchase Date, (b) the date on which the interest rate on all of the Bonds have been converted to an interest rate other than the SIFMA Index Rate and (c) the date on which all Bonds are redeemed, repaid, prepaid or cancelled in accordance with the terms of [Ordinance ____].

“Amortization Payment” has the meaning set forth in Section 2.02(b) hereof.

“Amortization Payment Date” means (a) the Initial Amortization Payment Date and each six month anniversary of the Initial Amortization Payment Date occurring thereafter which occurs prior to the Amortization End Date and (b) the Amortization End Date.

“Amortization Period” has the meaning set forth in Section 2.02(b) hereof.

“Applicable Spread” has the meaning set forth in [Ordinance ____].

“Bank Agreement” means any credit agreement, liquidity agreement, standby bond purchase agreement, reimbursement agreement, direct purchase agreement, bond purchase agreement, or other agreement or instrument (or any amendment, supplement or other modification thereof) under which, directly or indirectly, any Person or Persons undertake(s) to make or provide funds to make payment of, or to purchase or provide credit enhancement for LTGO Debt.

“Bank Purchase Date” has the meaning set forth in the Ordinance.

“Base Rate” means, for any day, a fluctuating rate of interest per annum equal to the greatest of (i) the Prime Rate in effect at such time *plus* one percent (1.00%), (ii) the Federal Funds Rate in effect at such time *plus* three percent (3.00%), (iii) the LIBOR Rate in effect at such time *plus* five percent (5.00%), and (iv) seven and one half of one percent (7.50%).

“Bond Counsel” means Gottlieb Fisher PLLC, or any other firm of attorneys nationally recognized on the subject of tax-exempt municipal finance selected by the County.

“Bondholder” means the Purchaser and each Purchaser Transferee or Non-Purchaser Transferee pursuant to Section 8.06 hereof so long as such Purchaser Transferee or Non-Purchaser Transferee is an owner of Bonds.

“Bonds” has the meaning set forth in the recitals hereof.

“Business Day” has the meaning set forth in [Ordinance ____].

“Calculation Agent” has the meaning assigned to such term in [Ordinance ____].

“Change in Law” means the occurrence, after the Effective Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any

successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law,” regardless of the date enacted, adopted or issued.

“*Code*” means the Internal Revenue Code of 1986, as amended together with corresponding and applicable regulations and revenue rulings issued or amended with respect thereto by the United States Treasury Department or the Internal Revenue Service.

“*Connection Income Taxes*” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“*County*” has the meaning set forth in the introductory paragraph hereof.

“*County Representative*” means any person authorized from time to time in writing by the County, or its successors and assigns, to perform a designated act or execute a designated document.

“*Debt*” of any Person means at any date, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (d) all obligations of such Person as lessee under capital leases, (e) all Debt of others secured by a lien on any asset of such Person, whether or not such Debt is assumed by such Person, (f) all Guarantees by such Person of Debt of other Persons and (g) all obligations of such Person under any Swap Contract.

“*Debtor Relief Laws*” means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

“*Default*” means any event or condition that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

“*Default Rate*” means, for any day, a rate of interest per annum equal to the sum of the Base Rate in effect on such day plus three percent (3.00%).

“*Designated Jurisdiction*” means any country or territory to the extent that such country or territory itself is the subject of any Sanction.

“Determination of Taxability” means and shall be deemed to have occurred on the first to occur of the following:

(i) the date when the County files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(ii) the date when the Bondholder or any former Bondholder notifies the County that it has received a written opinion by a nationally recognized firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance to the effect that an Event of Taxability has occurred (the *“Notification Date”*) unless (1) within ninety (90) days after the Notification Date, the County shall deliver to the Bondholder or former Bondholder written evidence that the County has requested a ruling or determination letter from the Commissioner or any District Director of the Internal Revenue Service (or any other governmental official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability has not occurred and (2) not later than one hundred eighty (180) days after the Notification Date, the County shall deliver to such Bondholder or former Bondholder such ruling or determination letter to that effect;

(iii) the date when the County shall be advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the County, or upon any review or audit of the County or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) the date when the County shall receive notice from the Bondholder or any former Bondholder that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of such Bondholder or such former Bondholder the interest on the Bonds due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (iii) or (iv) hereunder unless the County has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; *provided further, however*, that upon demand from the Bondholder or former Bondholder, the County shall promptly reimburse such Bondholder or former Bondholder for any payments, including any taxes, interest, penalties or other charges, such Bondholder (or former Bondholder) shall be obligated to make as a result of the Determination of Taxability.

“DTC” means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and any successor thereto.

“Effective Date” means [_____, 2013], subject to the satisfaction or waiver by the Purchaser of the conditions precedent set forth in Article IV hereof.

“Environmental Laws” means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the County directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“ERISA” means the Employee Retirement Income Security Act of 1974.

“Event of Default” with respect to this Agreement has the meaning set forth in Section 7.01 of this Agreement and, with respect to any Related Document, has the meaning assigned therein.

“Event of Taxability” means a (i) Change in Law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the County, or the failure to take any action by the County, or the making by the County of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of the Bonds) which has the effect of causing interest paid or payable on the Bonds to become includable, in whole or in part, in the gross income of the Bondholder or any former Bondholder for federal income tax purposes or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable on the Bonds to become includable, in whole or in part, in the gross income of the Bondholder or any former Bondholder for federal income tax purposes with respect to the Bonds.

“Excess Interest Amount” has the meaning set forth in Section 2.05 hereof.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to the Purchaser or any Bondholder or required to be withheld or deducted from a payment to the Purchaser or any Bondholder; (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of the Purchaser or any Bondholder being organized under the laws of, or having its principal office

located in the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of the Purchaser or any Bondholder, U.S. federal withholding Taxes imposed on amounts payable to or for the account of the Purchaser or any Bondholder with respect to its interest in the Bonds pursuant to a law in effect on the date on which the Purchaser or such Bondholder acquires such interest in the Bonds, and (c) Taxes attributable to the Purchaser's or such Bondholder's failure to comply with Section 3.01(e).

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

"Fiscal Year" means the twelve month period from January 1 through the following December 31.

"Fitch" means Fitch Ratings, Inc., and any successor rating agency.

"FRB" means the Board of Governors of the Federal Reserve System of the United States, together with any successors thereof.

"Generally Accepted Accounting Principles" or *"GAAP"* means generally accepted accounting principles in effect from time to time in the United States and applicable to entities such as the County.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Guarantee" means, as to any Person, any (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Debt or other obligation payable or performable by another Person (the *"primary obligor"*) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Debt or other obligation of the payment or performance of such Debt or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor

so as to enable the primary obligor to pay such Debt or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Debt or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any lien on any assets of such Person securing any Debt or other obligation of any other Person, whether or not such Debt or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Debt to obtain any such lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the County under any Related Document and (b) to the extent not otherwise described in (a), Other Taxes.

"Indemnitee" has the meaning set forth in Section 8.04 hereof.

"Index Rate" has the meaning set forth in [Ordinance ____].

"Index Rate Mode" has the meaning set forth in [Ordinance ____].

"Index Rate Period" has the meaning set forth in [Ordinance ____].

"Initial Amortization Payment Date" means the first Business Day of the sixth (6th) full calendar month following the Initial Bank Purchase Date.

"Initial Bank Purchase Date" means the date on which the Bonds are subject to mandatory tender for purchase on the last day of the Initial Period pursuant to Section 16 of [Ordinance ____].

"Initial Period" has the meaning set forth in [Ordinance ____].

"Interest Payment Date" shall mean with respect to the Bonds, (i) the first Business Day of each calendar month and (ii) any date on which all of the Bonds are redeemed.

"Investment Policy" means the investment policy of the County delivered to the Purchaser, pursuant to Section 4.01(a)(iii) hereof.

"Investor Letter" has the meaning set forth in Section 8.06 hereof.

"*Laws*" means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"*LIBOR Rate*" means, for any interest calculation with respect to clause (iii) of the definition of Base Rate for any date, the rate per annum equal to the British Bankers Association LIBOR Rate or the successor thereto if the British Association is no longer making a LIBOR Rate available ("*LIBOR*"), as published by Reuters (or other commercially available source providing quotations of LIBOR as may be designated by the Purchaser from time to time) at approximately 11:00 a.m. London time, determined two London Banking Days prior to such date for U.S. Dollar deposits being delivered in the London interbank market for a term of one month commencing that day or (ii) if such published rate is not available at such time for any reason, the rate per annum determined by the Purchaser to be the rate at which deposits in U.S. Dollars for delivery on the date of determination in same day funds and with a term equal to one month would be offered by the Purchaser's London Branch to major banks in the London interbank eurodollar market at their request at the date and time of determination.

"*London Banking Day*" means any day on which dealings in U.S. Dollar deposits are conducted by and between banks in the London interbank eurodollar market.

"*LTGO Debt*" means any limited tax general obligation debt of the County, the payment of which is secured by the full faith and credit of the County including, without limitation, Debt secured by the legal obligation of the County to levy and collect *ad valorem* taxes within the constitutional and statutory limitations provided by law without a vote of the people upon all property within the County subject to taxation.

"*Majority Bondholder*" means the Bondholders with a majority of the aggregate principal amount of Bonds from time to time. As of the Effective Date, Banc of America Preferred Funding Corporation shall be the Majority Bondholder.

"*Mandatory Tender Purchase Price*" means an amount equal to 100% of the principal amount of the Bonds subject to mandatory tender for purchase on the Initial Bank Purchase Date and accrued interest thereon, if applicable.

"*Margin Stock*" has the meaning ascribed to such term in Regulation U promulgated by the FRB, as now and hereafter from time to time in effect.

"*Material Adverse Effect*" means: (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of the County; (b) a material impairment of the ability of the County to perform its obligations under any Related Document to which it is a party; or (c) a

material adverse effect upon the legality, validity, binding effect or enforceability against the County of any Related Document to which it is a party.

“*Maximum Interest Rate*” means the maximum rate of interest on the relevant obligation permitted by applicable law.

“*Moody’s*” means Moody’s Investors Service, Inc. and any successor rating agency.

“*1933 Act*” means the Securities Act of 1933, as amended.

“*Non-Purchaser Transferee*” has the meaning set forth in Section 8.06(c) hereof.

“*Obligations*” means all amounts payable by the County, and all other obligations to be performed by the County, pursuant to this Agreement and the other Related Documents (including any amounts to reimburse the Purchaser for any advances or expenditures by it under any of such documents).

“*OFAC*” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“*[Ordinance ____]*” means [**Ordinance ____**] of the County, as the same may be amended, modified or restated in accordance with the terms thereof and hereof.

“*Other Connection Taxes*” means, with respect to the Purchaser or any Bondholder, Taxes imposed as a result of a present or former connection between the Purchaser or such Bondholder and the jurisdiction imposing such Tax (other than connections arising from the Purchaser or such Bondholder having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Related Document, or sold or assigned an interest in the Bonds or any Related Document).

“*Other Taxes*” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Related Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment.

“*Patriot Act*” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Title III of Pub. L. 107-56 (signed into law October 26, 2001).

“*Person*” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“*Prime Rate*” means on any day, the rate of interest per annum then most recently established by Bank of America, N.A. as its “prime rate.” The “*prime rate*” is a rate set by Bank

of America, N.A. based upon various factors including Bank of America, N.A.'s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by Bank of America, N.A. shall take effect at the opening of business on the day specified in the public announcement of such change.

"Property" means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, whether now owned or hereafter acquired.

"Purchase Price" has the meaning set forth in Section 2.01(a) hereof.

"Purchaser" means, initially, Banc of America Preferred Funding Corporation, and its successors and assigns, and upon the receipt from time to time by the Registrar and the County of a notice described in Section 8.06(a) from time to time means the Person designated in such notice as the Purchaser, as more fully provided in Section 8.06(a) hereof.

"Purchaser Rate" means a fluctuating interest rate per annum which, for each day, shall equal (i) for the period from and including the Initial Bank Purchase Date to and including the ninetieth (90th) day immediately succeeding the Initial Bank Purchase Date, the Base Rate from time to time in effect and (ii) from the period from and after the ninety-first (91st) day immediately succeeding the Initial Bank Purchase Date, the Base Rate from time to time in effect *plus* one percent (1.00%); *provided* that if an Event of Default has occurred and is continuing, the Purchaser Rate shall equal the Default Rate.

"Purchaser Transferee" has the meaning set forth in Section 8.06(b) hereof.

"Rating Agency" means any of S&P, Moody's and Fitch, as applicable.

"Rating Documentation" has the meaning set forth in Section 4.01(d)(iii) hereof.

"Registrar" has the meaning set forth in [Ordinance ____].

"Related Documents" means this Agreement, the Bonds, [Ordinance ____] and any other documents related to any of the foregoing or executed in connection therewith, and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"S&P" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, and any successor rating agency.

"Sanction(s)" means any international economic sanction administered or enforced by OFAC, the United Nations Security Council, the European Union, or Her Majesty's Treasury.

“*SIFMA Index*” has the meaning set forth in [Ordinance ____].

“*SIFMA Index Rate*” has the meaning set forth in [Ordinance ____].

“*SIFMA Index Rate Period*” has the meaning set forth in [Ordinance ____].

“*State*” means the State of Washington.

“*Swap Contract*” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “*Master Agreement*”), including any such obligations or liabilities under any Master Agreement.

“*Taxable Date*” means the date on which interest on the Bonds is first includable in gross income of the Bondholder (including, without limitation, any previous Bondholder) thereof as a result of an Event of Taxability as such date is established pursuant to a Determination of Taxability.

“*Taxable Period*” has the meaning set forth in Section 2.04 hereof.

“*Taxable Rate*” means (a) for any date on which the SIFMA Index is based upon tax-exempt variable rate demand obligations, an interest rate per annum at all times equal to the product of the Purchaser Rate (with respect to Unremarketed Bonds) or the SIFMA Index Rate (in all other cases) then in effect multiplied by 1.54; or (b) for any date on which the SIFMA Index is based upon taxable variable rate demand obligations, an interest rate per annum at all times equal to (1) the product of the Purchaser Rate (with respect to Unremarketed Bonds) then in effect multiplied by 1.54, or (2) the sum of (A) the product of the Applicable Spread then in effect multiplied by 1.54 and (B) the SIFMA Index then in effect

“*Taxes*” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Unremarketed Bonds" means Bonds with respect to which the Purchaser has not received payment of the Mandatory Tender Purchase Price, if any, on the Initial Bank Purchase Date.

Section 1.02. Other Interpretive Provisions. With reference to this Agreement and each other Related Document, unless otherwise specified herein or in such other Related Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Related Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "hereto," "herein," "hereof" and "hereunder," and words of similar import when used in any Related Document, shall be construed to refer to such Related Document in its entirety and not to any particular provision thereof, (iv) all references in a Related Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Related Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(c) Section headings herein and in the other Related Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Related Document.

Section 1.03. Accounting Terms.

(a) *Generally.* All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the audited financial statements delivered pursuant to Article IV hereof, *except* as otherwise specifically prescribed herein. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the

computation of any financial covenant) contained herein, Debt of the County shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 on financial liabilities shall be disregarded.

(b) *Changes in GAAP.* If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Related Document, and either the County or the Purchaser shall so request, the Purchaser and the County shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; *provided that*, until so amended, (A) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (B) the County shall provide to the Purchaser financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. Without limiting the foregoing, leases shall continue to be classified and accounted for on a basis consistent with that reflected in the audited financial statements delivered pursuant to Article IV hereof for all purposes of this Agreement, notwithstanding any change in GAAP relating thereto, unless the parties hereto shall enter into a mutually acceptable amendment addressing such changes, as provided for above.

ARTICLE II

PURCHASE OF BONDS AND THE COUNTY'S OBLIGATIONS

Section 2.01. Purchase of Bonds. (a) *Purchase Price.* Upon the conditions set forth in Article IV hereof and based on the representations, warranties and covenants of the County set forth herein, the Purchaser hereby agrees to purchase from the County and the County hereby agrees to sell to the Purchaser, all, but not less than all, of the Bonds at the purchase price of \$42,500,000 representing the aggregate principal amount of the Bonds (the "*Purchase Price*").

(b) *Closing.* On the Effective Date, the County shall deliver to the Purchaser the documents described in Article IV hereof. Upon delivery of such documents, the Purchaser will pay the full Purchase Price for the Bonds in immediately available federal funds payable to the Registrar on behalf of the County. One fully registered Bond, in the aggregate principal amount equal to the Purchase Price, shall be issued to and registered in the name of Cede & Co., nominee for DTC, as securities depository, and the beneficial interests in the Bonds so registered will be credited to such accounts with DTC as the Purchaser shall designate. The Bonds shall be so issued and registered to and held by DTC or its nominee, and beneficial interests therein shall be transferable in accordance with the book-entry system.

Section 2.02. Payment Obligations. (a) The County hereby unconditionally, irrevocably and absolutely agrees to make prompt and full payment of all payment obligations owed to the Purchaser under the Related Documents and to pay any other Obligations owing to the Purchaser whether now existing or hereafter arising, irrespective of their nature, whether direct or indirect, absolute or contingent, with interest thereon at the rate or rates provided in such Related Documents and under such Obligations.

(b) In the event the Purchaser has not received the Mandatory Tender Purchase Price on any Bank Purchase Date, the County shall cause the Unremarketed Bonds to be redeemed on such Bank Purchase Date; *provided* that, if the County is required to redeem Unremarketed Bonds as set forth above and (i) no Default or Event of Default shall have occurred and be continuing and (ii) the representations and warranties set forth in Article V shall be true and correct on such Bank Purchase Date (except to the extent that any such representations and warranties expressly relate to an earlier date), then the County shall cause the principal amount of such Bonds to be redeemed in installments payable on each Amortization Payment Date (each such payment, an "*Amortization Payment*"), with the final installment in an amount equal to the entire then-outstanding principal amount of such Bonds to be redeemed on the Amortization End Date (the period commencing on such Bank Purchase Date and ending on the Amortization End Date is herein referred to as the "*Amortization Period*"). Each Amortization Payment shall be that amount of principal which will result in equal (as nearly as possible) aggregate Amortization Payments over the Amortization Period. During the Amortization Period, interest on Unremarketed Bonds shall accrue at the Purchaser Rate, be payable monthly in arrears on the first Business Day of each calendar month and be calculated on the basis of a 360-day year and actual days elapsed.

(c) The County shall pay within thirty (30) days after demand:

(i) if an Event of Default shall have occurred, all costs and expenses of the Purchaser in connection with the enforcement (whether by means of legal proceedings or otherwise) of any of its rights under this Agreement, the other Related Documents and such other documents which may be delivered in connection therewith;

(ii) a fee for each amendment to this Agreement or any other Related Document or any consent or waiver by the Purchaser with respect to any Related Document, in each case, in a minimum amount of \$2,500 plus the reasonable fees and expenses of counsel to the Purchaser;

(iii) the reasonable fees and out-of-pocket expenses for counsel or other reasonably required consultants to the Purchaser in connection with advising the Purchaser as to its rights and responsibilities under this Agreement and the other Related Documents or in connection with responding to requests from the County for approvals, consents and waivers; and

(iv) any amounts advanced by or on behalf of the Purchaser to the extent required to cure any Default, Event of Default or event of nonperformance hereunder or any Related Document, together with interest at the Default Rate.

In addition, if at any time any Governmental Authority shall require revenue or other documentary stamps or any other tax in connection with the execution or delivery of this Agreement or other Related Documents, then, if the County lawfully may pay for such stamps, taxes or fees, the County shall pay, when due and payable, for all such stamps, taxes and fees, including interest and penalties thereon, and the County agrees to save the Purchaser harmless

from and against any and all liabilities with respect to or resulting from any delay of the County in paying, or omission of the County to pay, such stamps, taxes and fees hereunder.

Section 2.03. Default Rate. Upon the occurrence and during the continuance of an Event of Default, the Obligations shall bear interest at the Default Rate, which shall be payable by the County to each Bondholder (or, if applicable, the Purchaser) upon demand therefore and be calculated on the basis of a 360-day year and actual days elapsed.

Section 2.04. Determination of Taxability. (a) In the event a Determination of Taxability occurs, to the extent not payable to each Bondholder (or to the Purchaser for the period that it was the Bondholder of any of the Bonds) under the terms of [**Ordinance ____**] and the Bonds, the County hereby agrees to pay to each Bondholder (or, if applicable, the Purchaser) on demand therefor (i) an amount equal to the difference between (A) the amount of interest that would have been paid to such Bondholder (or, if applicable, the Purchaser) on the Bonds during the period for which interest on the Bonds is included in the gross income of such Bondholder (or, if applicable, the Purchaser) if the Bonds had borne interest at the Taxable Rate, beginning on the Taxable Date (the "*Taxable Period*"), and (B) the amount of interest actually paid to the Bondholder (or, if applicable, the Purchaser) during the Taxable Period, and (ii) an amount equal to any interest, penalties or charges owed by such Bondholder (or, if applicable, the Purchaser) as a result of interest on the Bonds becoming included in the gross income of such Bondholder (or, if applicable, the Purchaser), together with any and all reasonable attorneys' fees, court costs, or other out-of-pocket costs incurred by such Bondholder (or, if applicable, the Purchaser) in connection therewith;

(b) Subject to the provisions of paragraph (c) below, such Bondholder (or, if applicable, the Purchaser) shall afford the County the opportunity, at the County's sole cost and expense, to contest (i) the validity of any amendment to the Code which causes the interest on the Bonds to be included in the gross income of such Bondholder (or, if applicable, the Purchaser) or (ii) any challenge to the validity of the tax exemption with respect to the interest on the Bonds, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals); and

(c) As a condition precedent to the exercise by the County of its right to contest set forth in paragraph (b) above, the County shall, on demand, immediately reimburse such Bondholder (or, if applicable, the Purchaser) for any and all expenses (including reasonable attorneys' fees for services that may be required or desirable, as determined by such Bondholder (or, if applicable, the Purchaser) in its sole discretion) that may be incurred by the Bondholder (or, if applicable, the Purchaser) in connection with any such contest, and shall, on demand, immediately reimburse the Bondholder (or, if applicable, the Purchaser) for any payments, including any taxes, interest, penalties or other charges payable by such Bondholder (or, if applicable, the Purchaser) for failure to include such interest in its gross income.

Section 2.05. Maximum Interest Rate. (a) If the amount of interest payable for any period in accordance with the terms hereof or the Bonds exceeds the amount of interest that would be payable for such period had interest for such period been calculated at the Maximum Interest

Rate, then interest for such period shall be payable in an amount calculated at the Maximum Interest Rate.

(b) Any interest that would have been due and payable for any period but for the operation of the immediately preceding paragraph (a) shall accrue and be payable as provided in this paragraph (b) and shall, less interest actually paid to each Bondholder for such period, constitute the "Excess Interest Amount." If there is any accrued and unpaid Excess Interest Amount as of any date, then the principal amount with respect to which interest is payable shall bear interest at the Maximum Interest Rate until payment to each Bondholder of the entire Excess Interest Amount.

(c) Notwithstanding the foregoing, on the date on which no principal amount with respect to the Bonds remains unpaid, the County shall pay to each Bondholder a fee equal to any accrued and unpaid Excess Interest Amount.

Section 2.06. Obligations Absolute. The payment obligations of the County under this Agreement shall be unconditional and irrevocable and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including without limitation the following:

(a) any lack of validity or enforceability of this Agreement, the Bonds or any of the other Related Documents;

(b) any amendment or waiver of or any consent to departure from all or any of the Related Documents;

(c) the existence of any claim, set-off, defense or other right which the County may have at any time against the Purchaser, any other Bondholder or any other person or entity, whether in connection with this Agreement, the other Related Documents, the transactions contemplated herein or therein or any unrelated transaction; or

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

Notwithstanding this Section, the Purchaser acknowledges the County may have the right to bring a collateral action with respect to one or more of the foregoing circumstances. The County's payment obligations shall remain in full force and effect pending the final disposition of any such action. All fees payable pursuant to this Agreement shall be deemed to be fully earned when due and non-refundable when paid.

Section 2.07. Optional Redemption or Conversion Fee. The County shall pay to the Purchaser an optional redemption or conversion fee in connection with each optional redemption of all or any portion of the Bonds or each conversion of the interest rate on all or any portion of the Bonds from the SIMFA Index Rate prior to the second anniversary of the Effective Date, in an amount equal to the product of (A) the Applicable Spread in effect on the date of optional redemption or conversion, as applicable, (B) the principal amount of the Bonds to be optionally redeemed or converted to an interest rate other than the SIFMA Index Rate, and (C) a fraction,

the numerator of which is equal to the number of days from and including the date of such optional redemption or conversion, as applicable, to and including the second anniversary of the Effective Date, and the denominator of which is 360, payable on the date that all or any portion of the Bonds are optionally redeemed or the date on which the interest rate on all or any portion of the Bonds are converted to bear interest at a rate other than the SIFMA Index Rate.

Section 2.08. Purchaser Consent to Subsequent Index Rate Period. (a) So long as the Purchaser is the Bondholder, on or before the date one hundred twenty (120) days prior to the end of the Initial Period, the County may provide written notice to the Purchaser of its desire to change the interest rate mode of the Bonds (including conversion to a new Index Rate Period) and requesting the Purchaser to purchase such Bonds in such new Index Rate Period or provide the liquidity or credit enhancement necessary to facilitate the conversion of the Bonds to such new interest rate mode. The Purchaser will make reasonable efforts to respond to such request within sixty (60) days after receipt of all information necessary, in the Purchaser's reasonable judgment, to permit the Purchaser to make an informed credit decision. The Purchaser may, in its sole and absolute discretion, decide to accept or reject any such request and no consent shall become effective unless the Purchaser shall have consented thereto in writing. In the event the Purchaser fails to definitively respond to such request within such sixty (60) day period, the Purchaser shall be deemed to have refused to grant such request. The consent of the Purchaser, if granted, shall be conditioned upon the preparation, execution and delivery of documentation in form and substance satisfactory to the Purchaser (which may include, but not be limited to the delivery of a "no adverse effect opinion" of Bond Counsel to the Purchaser with respect to the tax-exempt status of the Bonds as a result of such conversion and interest rate setting). In the event the County and the Purchaser fail to document in writing their agreement of the proposed rate(s) and terms of the succeeding period(s), the County shall continue to be required to repurchase the Bonds on the Initial Bank Purchase Date for a purchase price of 100% of the par amount plus accrued interest to the Initial Bank Purchase Date.

ARTICLE III

TAXES AND YIELD PROTECTION

Section 3.01. Taxes.

(a) *Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.*

(i) Any and all payments by or on account of any obligation of the County hereunder or under any other Related Document shall to the extent permitted by applicable Laws be made free and clear of and without reduction or withholding for any Taxes. If any applicable Laws (as determined in the good faith discretion of the Purchaser) require the withholding or deducting of any Tax, such Tax shall be withheld or deducted in accordance with such Laws as determined by the County or the Purchaser, as the case may be, upon the basis of the information and documentation to be delivered pursuant to subsection (e) below.

(ii) If the County shall be required by any applicable Laws to withhold or deduct any Taxes, including both United States Federal backup withholding and withholding taxes, from any payment, then (A) the County, as required by such Laws, shall withhold or make such deductions

as are determined by it to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) the County, to the extent required by such Laws, shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with such Laws, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the County shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the Purchaser or the Bondholder, as applicable, receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) *Payment of Other Taxes by the County.* Without limiting the provisions of subsection (a) above, the County shall timely pay to the relevant Governmental Authority in accordance with applicable Law, or at the option of the Purchaser or any Bondholder to timely reimburse it for the payment of, any Other Taxes.

(c) *Tax Indemnifications.* (i) Without limiting the provisions of subsection (a) or (b) above, the County shall, and does hereby, indemnify the Purchaser and each Bondholder, and shall make payment in respect thereof within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.01) payable or paid by the Purchaser or such Bondholder or required to be withheld or deducted from a payment to the Purchaser or such Bondholder, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the County by the Purchaser or such Bondholder shall be conclusive absent manifest error.

(ii) Without limiting the provisions of subsection (a) or (b) above, the Purchaser or any Bondholder shall, and does hereby, indemnify the County and shall make payment in respect thereof within ten (10) days after demand therefor, against any and all Taxes and any and all related losses, claims, liabilities, penalties, interest and expenses (including the reasonable fees, charges and disbursements of any counsel for the County) incurred by or asserted against the County by any Governmental Authority as a result of the failure by the Purchaser or any Bondholder to deliver, or as a result of the inaccuracy, inadequacy or deficiency of, any documentation required to be delivered by the Purchaser or any Bondholder to the County pursuant to subsection (e).

(d) *Evidence of Payments.* Upon request by the County or the Purchaser or any Bondholder, as the case may be, after any payment of Taxes by the County or by the Purchaser or any Bondholder to a Governmental Authority as provided in this Section 3.01, the County shall deliver to the Purchaser or such Bondholder or the Purchaser or any Bondholder shall deliver to County, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by Laws to report such payment or other evidence of such payment reasonably satisfactory to the County or the Purchaser or such Bondholder, as the case may be.

(e) *Status of Purchaser or any Bondholder; Tax Documentation.* (i) If the Purchaser or any Bondholder is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Related Document, the Purchaser or such Bondholder shall deliver to the County, at the time or times reasonably requested by the County, such properly completed and executed documentation reasonably requested by the County as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, the Purchaser or any Bondholder, if reasonably requested by the County, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the County as will enable the County to determine whether or not the Purchaser or such Bondholder is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 3.01(e)(ii) below) shall not be required if in the Purchaser's or a Bondholder's reasonable judgment such completion, execution or submission would subject the Purchaser or such Bondholder to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of the Purchaser or such Bondholder.

(ii) Without limiting the generality of the foregoing, the Purchaser or any Bondholder shall deliver to the County (and from time to time thereafter upon the reasonable request of the County), executed originals of IRS Form W-9 certifying that the Purchaser or such Bondholder is exempt from U.S. federal backup withholding tax.

(f) *Treatment of Certain Refunds.* If the Purchaser or any Bondholder determines that it has received a refund of any Taxes as to which it has been indemnified by the County or with respect to which the County has paid additional amounts pursuant to this Section 3.01, it shall pay to the County an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the County under this Section 3.01 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) incurred by the Purchaser or such Bondholder, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); *provided* that the County, upon the request of the Purchaser or any Bondholder, agrees to repay the amount paid over to the County (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Purchaser or such Bondholder in the event the Purchaser or such Bondholder is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection, in no event will the Purchaser or any Bondholder be required to pay any amount to the County pursuant to this subsection the payment of which would place the Purchaser or such Bondholder in a less favorable net after-Tax position than Purchaser or such Bondholder would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This subsection shall not be construed to require the Purchaser or any Bondholder to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the County or any other Person.

(g) *Survival.* Each party's obligations under this Section shall survive the repayment, satisfaction or discharge of all other Obligations.

Section 3.02. Increased Costs.

(a) *Increased Costs Generally.* If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, the Purchaser or any Bondholder;

(ii) subject the Purchaser or any Bondholder to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on the Purchaser or any Bondholder any other condition, cost or expense affecting this Agreement;

and the result of any of the foregoing shall be to increase the cost to the Purchaser or any such Bondholder with respect to this Agreement, the Bonds, or the making, maintenance or funding of the purchase price of the Bonds, or to reduce the amount of any sum received or receivable by the Purchaser or any Bondholder hereunder (whether of principal, interest or any other amount) then, upon request of the Purchaser or such Bondholder, the County will pay to the Purchaser or such Bondholder, such additional amount or amounts as will compensate the Purchaser or such Bondholder, for such additional costs incurred or reduction suffered.

(b) *Capital Requirements.* If the Purchaser or any Bondholder determines that any Change in Law affecting the Purchaser or such Bondholder or the Purchaser's or any such Bondholder's holding company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on the Purchaser's or such Bondholder's capital or on the capital of the Purchaser's or Bondholder's holding company, if any, as a consequence of this Agreement or the Bonds to a level below that which the Purchaser or such Bondholder or the Purchaser's or such Bondholder's holding company could have achieved but for such Change in Law (taking into consideration the Purchaser's or such Bondholder's policies and the policies of the Purchaser's or such Bondholder's holding company with respect to capital adequacy), then from time to time the County will pay to the Purchaser or such Bondholder, as the case may be, such additional amount or amounts as will compensate the Purchaser or such Bondholder or the Purchaser's or such Bondholder's holding company for any such reduction suffered.

(c) *Certificates for Reimbursement.* A certificate of the Purchaser or any Bondholder setting forth the amount or amounts necessary to compensate the Purchaser or such Bondholder or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the County shall be conclusive absent manifest error. The County shall pay the Purchaser or such Bondholder the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) *Delay in Requests.* Failure or delay on the part of the Purchaser or any Bondholder to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of the Purchaser's or such Bondholder's right to demand such compensation; *provided* that the County shall not be required to compensate the Purchaser or such Bondholder pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that the Purchaser or such Bondholder, notifies the County of the Change in Law giving rise to such increased costs or reductions and of the Purchaser's or such Bondholder's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

Section 3.03. Funding Indemnity. In the event the Purchaser shall incur any loss, cost, or expense (including, without limitation, any loss, cost, or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired or contracted to be acquired by the Purchaser to purchase or hold the Bonds or the relending or reinvesting of such deposits or other funds or amounts paid or prepaid to the Purchaser) as a result of any redemption or conversion of the Bonds on a date other than the first day of each SIFMA Index Interest Period for any reason, whether before or after default, and whether or not such payment is required by any provision of this Agreement or [Ordinance ____], then upon the demand of the Purchaser, the County shall pay to the Purchaser a redemption or conversion premium, as applicable in such amount as will reimburse the Purchaser for such loss, cost, or expense. If the Purchaser requests such redemption or conversion premium, as applicable, it shall provide to the County a certificate setting forth the computation of the loss, cost, or expense giving rise to the request for such redemption or conversion premium, as applicable in reasonable detail and such certificate shall be conclusive if reasonably determined.

Section 3.04. Survival. All of the County's obligations under this Article III shall survive termination of this Agreement and repayment of all other Obligations hereunder.

ARTICLE IV

CONDITIONS PRECEDENT TO PURCHASE OF BONDS

Section 4.01. Documentary Requirements. The obligation of the Purchaser to purchase the Bonds is subject to the conditions precedent that the Purchaser shall have received, on or before the Effective Date, the items listed below in this Section, each dated and in form and substance as is satisfactory to the Purchaser.

(a) The following County documents:

(i) copies of the ordinances or motions of the governing body of the County approving the execution and delivery of the Related Documents and the other matters contemplated hereby, certified by a County Representative as being true and complete and in full force and effect on the Effective Date;

(ii) the audited annual financial statements of the County for the Fiscal Year ended December 31, 2011, internally prepared financial statements of the County for the Fiscal Year ended December 31, 2012, and internally prepared financial statements of the County for each fiscal quarter(s) ended since the end of the Fiscal Year ended December 31, 2012;

(iii) a copy of the County's Investment Policy in effect as of the Effective Date; and

(iv) a certificate dated the Effective Date and executed by a County Representative certifying the names and signatures of the persons authorized to sign, on behalf of the County, the Related Documents to which it is a party and the other documents to be delivered by it hereunder or thereunder.

(b) The following financing documents:

(i) an executed original or certified copy, as applicable, of each of the Related Documents;

(ii) the Bond; and

(iii) copies of all documentation relating to any Swap Contract relating to the Bonds.

(c) The following opinions, dated the Effective Date and addressed to the Purchaser or on which the Purchaser is otherwise expressly authorized to rely:

(i) from Bond Counsel, an approving opinion with respect to the authorization, issuance and validity of the Bonds and the exclusion from gross income of interest thereon for federal income tax purposes; and

(ii) from Bond Counsel, a supplemental opinion as to the due authorization, execution, delivery and enforceability of the Related Documents to which the County is a party, and such other customary matters as the Purchaser may reasonably request.

(d) The following documents and other information:

(i) a certificate dated the Effective Date and executed by a County Representative certifying (A) that there has been no event or circumstance since December 31, 2011, that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect, (B) that the representations and warranties contained in Article V hereof and the other Related Documents are true and correct in all material respects on the Effective Date, (C) no event has occurred and is continuing, or would result from entry into this Agreement, which would constitute a Default or Event of Default and (D) since the dated date of the Rating Documentation,

the unenhanced long-term debt ratings assigned to any LTGO Debt has not been withdrawn, suspended or reduced;

(ii) evidence that a CUSIP number has been obtained and reserved from Standard & Poor's CUSIP Services for the Bonds; and

(iii) recent evidence that the unenhanced long-term debt rating assigned by Moody's, S&P and Fitch to any LTGO Debt is at least "Aa1," "AA+" and "AA+," respectively (the "*Rating Documentation*").

Section 4.02. Litigation. The Purchaser shall have received a written description of all actions, suits or proceedings pending or threatened against the County or any of its Affiliates in any court or before any arbitrator of any kind or before or by any governmental or non-governmental body which could reasonably be expected to result in a Material Adverse Effect, if any, and such other statements, certificates, agreements, documents and information with respect thereto as the Purchaser may reasonably request.

Section 4.03. Other Matters. All other legal matters pertaining to the execution and delivery of this Agreement and the Related Documents shall be satisfactory to the Purchaser and its counsel, and the Purchaser shall have received such other statements, certificates, agreements, documents and information with respect to the County and the other parties to the Related Documents and matters contemplated by this Agreement as the Purchaser may reasonably request.

Section 4.04. Payment of Fees and Expenses. On or prior to the Effective Date, the Purchaser shall have received reimbursement of the Purchaser's fees and expenses (including the reasonable legal fees and expenses of Chapman and Cutler LLP) and any other fees incurred in connection with the transaction contemplated by the Related Documents.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

The County makes the following representations and warranties to each Bondholder:

Section 5.01. Power and Authority. The County is a political subdivision of the State of Washington and has all requisite power and authority to (a) own its properties and to carry on its business as now being and hereafter proposed to be conducted, (b) adopt, execute, deliver and perform all of its obligations hereunder and under the other Related Documents, (c) incur the indebtedness evidenced by the Bonds, (d) levy an *ad valorem* tax within the constitutional and statutory tax limitations provided by law without a vote of the people, for as long as any Bonds or the other obligations of the other County under this Agreement are outstanding and unpaid upon all the property within the County subject to taxation in an amount that will be sufficient, together with all other revenues, taxes and money of the County legally available for such purposes, to pay the principal of and the interest on the Bonds as the same shall become due and to pay the obligations of the County under this Agreement, and (e) adopt, execute and deliver

any and all instruments and documents required to be adopted, executed or delivered pursuant to or in connection herewith or therewith and to perform each and all of the matters and things provided for herein and therein.

Section 5.02 No Violation. The execution, delivery and performance by the County of this Agreement and the other Related Documents and any and all instruments or documents required to be adopted or executed in connection herewith or therewith have been or will by the Effective Date be duly authorized and do not and will not, in any respect material to the ability of the County to perform its obligations under this Agreement or the remedies of the Purchaser under this Agreement, (a) violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award in effect having applicability to the County or (b) result in a breach of or constitute a default under any indenture, loan, credit agreement or any other agreement, lease or instrument to which the County is a party or by which the County is bound.

Section 5.03 Authorization. No authorization, consent, approval, license, exemption from or registration with any Governmental Authority, other than those which have been or will by the Effective Date be obtained, will be necessary for the valid adoption, execution, delivery and performance by the County of this Agreement or any of the other Related Documents.

Section 5.04 Binding Agreements. This Agreement and each of the other Related Documents constitutes the legal, valid and binding obligation of the County, enforceable against the County in accordance with their respective terms, except as the binding effect and the enforcement thereof may be limited by insolvency, reorganization, liquidation, receivership, conservatorship, moratorium, or other similar laws affecting the enforcement of creditors' rights generally as such laws would apply in the event of the insolvency, reorganization, liquidation, receivership or conservatorship of, or other similar occurrence with respect to, the County, or in the event of any moratorium or similar occurrence affecting the County, and the availability of equitable remedies (including without limitation the remedy of specific performance) may be limited by equitable principles of general applicability, and payment of the Bonds is and shall continue to be an obligation of the County secured by and payable from the sources specified in [Ordinance ____].

Section 5.05 No Litigation. There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any Governmental Authority, pending with service of process accomplished or, to the best knowledge of the County after due inquiry, threatened against or affecting the County, which would reasonably be expected to have a Material Adverse Effect.

Section 5.06 Accurate Disclosure. All factual information provided to the Purchaser by or on behalf of the County is, and all other such factual information hereafter provided will be, to the knowledge of the County, accurate in all material respects on the date as of which such information is certified. The County has disclosed to the Purchaser in writing any and all facts which materially and adversely affect or may affect (to the extent the County can now reasonably foresee), the ability of the County to perform its obligations under the this Agreement and [Ordinance ____].

Section 5.07 Financial Statements. The audited financial statements of the County for the Fiscal Year ended 2011, including the balance sheet as of December 31 of said year, all examined and reported on by independent public accountants, prepared by the County, as heretofore delivered to the Purchaser correctly and fairly present the financial condition of the County as of said dates and the results of the operations of the County for such period and have been prepared in accordance with GAAP consistently applied except as stated in the notes thereto; and there has been no material adverse change in the condition, financial or otherwise, of the County since December 31, 2011 from that set forth in said financial statements as of and for the period ended on that date.

Section 5.08 Sovereign Immunity. The County is not entitled to immunity from legal proceedings to enforce this Agreement, the Bonds or any other Related Document (including, without limitation, immunity from service of process or immunity from jurisdiction of any court otherwise having jurisdiction).

Section 5.09 Compliance. The County is in compliance with the terms and conditions of this Agreement and each of the other Related Documents, and no breach of the terms thereof nor any Default or Event of Default has occurred and is continuing.

Section 5.10 Bonds. Each Bond has been duly issued under [**Ordinance ____**], and each such Bond shall be entitled to the benefits thereof and payable as set forth therein and herein.

Section 5.11 Related Documents. Each of the Related Documents (other than this Agreement) to which the County is a party is in full force and effect and none of the Related Documents has been amended or supplemented except by such amendments or supplements as have previously been delivered to the Purchaser.

Section 5.12 Prospective Change in Law. There is no amendment, or to the best knowledge of the County, proposed amendment certified for placement on a statewide ballot, to the Constitution of the State or any published administrative interpretation of the Constitution of the State or any State law, or any legislation which has passed either house of the State legislature, the effect of which would reasonably be expected to have a Material Adverse Effect.

Section 5.13 Registrar. The fiscal agency of the State of Washington (currently The Bank of New York Mellon) is the duly appointed and acting Registrar.

Section 5.14 Security. Pursuant to [**Ordinance ____**], the County has pledged its full faith, credit and resources to the annual levy and collection of an *ad valorem* tax within the constitutional and statutory tax limitations provided by law without a vote of the people upon all of the property within the County subject to taxation to the pay the principal of and interest on the Bonds (including Unremarketed Bonds) as the same become due. The obligations of the County under this Agreement constitute general obligations of the County payable from such taxes and any and all other revenues, taxes and money of the County legally available for such purposes.

Section 5.15 Compliance. The County is in compliance with all laws, ordinances, orders, rules and regulations applicable to it, the noncompliance with which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. All cash and other assets of the County are invested in accordance with established investment policy guidelines (a true and correct copy of which guidelines in effect as of the Effective Date are available to the public), as amended, supplemented or otherwise modified from time to time.

Section 5.16 No ERISA Plans. The County has never established, is not a party to and has never contributed to any “employee benefit plan” within the meaning of Section 3(3) of 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.

Section 5.17 Tax Exempt Status of Bonds. The County has not taken any action or omitted to take any action, and knows of no action that any other Person has taken, which action, if taken or omitted, would cause interest on the Bonds to be includable in the gross income of the recipients thereof for Federal income tax purposes.

Section 5.18 Use of Proceeds. The County is not engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock.

Section 5.19 Incorporation of Representations and Warranties by Reference. The County hereby makes to the Purchaser the same representations and warranties as are set forth in the Related Documents (in each case, as in effect on the Effective Date), which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated by reference with the same effect as if each and every representation and warranty and defined term were set forth herein in its entirety. No amendment to or waiver of such representations and warranties or definitions made pursuant to the relevant Related Document or incorporated by reference shall be effective to amend such representations and warranties and definitions as incorporated by reference herein without the prior written consent of the Purchaser.

Section 5.20. No Maximum Rate. The interest rate payable on the County’s obligations to the Purchaser hereunder and on the Bonds is not subject to any limitation under the laws or Constitution of the State which would result in the Maximum Interest Rate being less than 20% per annum or otherwise cause the amounts payable to the Purchaser pursuant to this Agreement and with respect to the Bonds to be in violation of any such limitation.

Section 5.21. Swap Contracts. The County has not entered into any Swap Contract relating to LTGO Debt which requires the County to post cash collateral to secure its obligations thereunder.

Section 5.22. OFAC. Neither the County, nor, to the knowledge of the County, any Related Party, (a) is currently the subject of any Sanctions, (b) is located, organized or residing in any Designated Jurisdiction, or (c) is or has been (within the previous five (5) years) engaged in any transaction with any Person who is now or was then the subject of Sanctions or who is located, organized or residing in any Designated Jurisdiction. The proceeds from the transaction

contemplated by this Agreement have not been used, directly or indirectly, to lend, contribute, provide or otherwise be made available to fund any activity or business in any Designated Jurisdiction or to fund any activity or business of any Person located, organized or residing in any Designated Jurisdiction or who is the subject of any Sanctions, or in any other manner that will result in any violation by any Person (including the Purchaser) of Sanctions.

ARTICLE VI

COVENANTS OF THE COUNTY

The County covenants and agrees, until the full and final payment and satisfaction of all of the Obligations, except in any instance in which the Purchaser specially agrees in writing to any performance or noncompliance, that:

Section 6.01. Accounting Records; Information. The County will maintain a standard system of accounting and provide to the Purchaser or shall make available to the public on the County's website currently (www.kingcounty.gov):

(a) a copy of its annual audited Comprehensive Annual Financial Report (CAFR) prepared in accordance with GAAP and with statements issued by Governmental Accounting Standards Board (GASB) as soon as it is available (and in no event later than two hundred seventy (270) days after the end of each Fiscal Year), together with a certificate of the County signed by a County Representative certifying that as of the date of such certificate no Default or Event of Default has occurred and is continuing;

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

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

Section 6.02. Maintenance of Tax-Exempt Status. The County shall not take any action or fail to take any action that, if taken or not taken, would adversely affect the excludability of interest on the Bonds from the gross income of the holders thereof for purposes of Federal income taxation.

Section 6.03. Books and Records; Access. The County shall keep accurate and complete books, accounts, and records in which complete entries shall be made in accordance with the Budget Accounting and Reporting System ("BARS") prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute), reflecting all financial transactions and to the extent permitted by law and with reasonable notice, the County will permit any person designated by the Purchaser at the Purchaser's expense (unless an Event of Default shall have occurred and, in such case, at the expense of the County) to visit the offices of the County to examine the books and financial records, including minutes of meetings of any

relevant governmental committees or agencies, and make copies thereof or extracts therefrom, and to discuss the affairs, finances and accounts of the County with its principal officials, all at such reasonable times and as often as the Purchaser may reasonably request.

Section 6.04. Compliance with Documents. The County agrees that it will, for the benefit of the Purchaser, comply with, abide by, and be restricted by all the agreements, covenants, obligations and undertakings contained in the provisions of [**Ordinance ____**], regardless of whether any indebtedness is now or hereafter remains outstanding thereunder, together with the related definitions, exhibits and ancillary provisions, all of which are incorporated herein by reference, *mutatis mutandis*, and made a part hereof to the same extent and with the same force and effect as if the same had been herein set forth in their entirety, and no amendment, modification or waiver to any of the foregoing shall in any manner constitute an amendment, modification or waiver of the provisions thereof as incorporated herein unless consented to in writing by the Purchaser.

Section 6.05. Security; Tax Levy. The County will take any and all actions necessary or reasonably requested by the Purchaser to preserve and maintain the pledge in favor of the Purchaser contained in [**Ordinance ____**]. The County irrevocably covenants and agrees, for as long as the Bonds (including Unremarketed Bonds) and the obligations of the County under this Agreement are outstanding and unpaid, that each year it will include in its budget and levy an ad valorem tax, within and as a part of the tax levy permitted to counties without a vote of the people, upon all the property within the County subject to taxation in an amount that will be sufficient, together with all other revenue and money of the County legally available for such purposes, to pay the principal of and the interest on the Bonds and to pay the Reimbursement Obligations and the other obligations of the County under this Agreement as the same shall become due.

Section 6.06. Compliance With Laws. The County shall comply with all laws, rules and regulations, and with all final orders, writs, judgments, injunctions, decrees or awards to which it may be subject if the failure to comply would reasonably be expected to have a Material Adverse Effect.

Section 6.07. Amendments. The County shall not amend, modify, terminate or grant, or permit the amendment, modification, termination or grant of, any waiver under, or consent to, or permit or suffer to occur any action or omission which results in, or is equivalent to, an amendment, termination, modification, or grant of a waiver under [**Ordinance ____**] or any Bond without the prior written consent of the Purchaser.

Section 6.08. No Partial Conversion. The County shall not convert or permit the conversion of the interest rate on less than all the Bonds to an interest rate other than the SIFMA Index Rate under [**Ordinance ____**] without the prior written consent of the Purchaser.

Section 6.09. Conversions and Redemptions. The County shall provide sixty (60) days written notice to the Purchaser prior to the date of any proposed (i) conversion of the interest rate on the Bonds to a rate of interest other than the SIFMA Index Rate or (ii) optional redemption or purchase in lieu of redemption of the Bonds pursuant to [**Ordinance ____**].

Section 6.10. Certain Notices. The County will promptly give written notice to the Purchaser of:

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

(b) any action, suit or proceeding known to it at law or in equity or by or before any Governmental Authority which, if adversely determined, could reasonably be expected to have a Material Adverse Effect;

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

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

(e) the occurrence of any other event which, in the reasonable judgment of the County, could reasonably be expected to have a Material Adverse Effect.

Section 6.11. Existence. The County shall (a) use its reasonable efforts to preserve and maintain its legal existence as a political subdivision of the State, and (b) use its best efforts to preserve and maintain its rights, franchises and privileges material to the ownership of its properties and the conduct of its business as now being and hereafter proposed to be conducted.

Section 6.12. Removal and Appointment of Successors. The County shall not, without prior consultation with the Purchaser in good faith, remove the Registrar or appoint a successor thereto; *provided, however,* that the removal and replacement of the Registrar as the fiscal agent by the State shall not be deemed to be a violation of this Section if the removal of the Registrar and the appointment of a replacement fiscal agent are substantially concurrent events.

Section 6.13. Proceeds of Bonds. The proceeds of the Bonds will be used by the County solely for the purposes described in [**Ordinance _____**].

Section 6.14. ERISA. The County will not establish, become a party to or contribute to any "employee benefit plan" within the meaning of Section 3(3) of the 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 the ERISA.

Section 6.15. Margin Stock. The County shall not use the proceeds of the Bonds to extend credit to others for the purpose of purchasing or carrying any Margin Stock.

Section 6.16. No Immunity. The County agrees to the extent that the County has or hereafter may acquire under any applicable law any right to immunity from legal proceedings on the grounds of sovereignty, the County hereby irrevocably waives such rights to immunity for itself in respect of its obligations arising under or related to this Agreement, the Bonds or [Ordinance ____].

Section 6.17. Maintenance of Ratings. The County shall at all times maintain at least one long-term unenhanced rating on its LTGO Debt.

Section 6.18. Use of Purchaser's Name. The County shall not include any information concerning the Purchaser in any offering document for the Bonds that is not supplied in writing, or otherwise approved, by the Purchaser expressly for inclusion therein.

Section 6.19. Other Agreements. In the event that the County shall, directly or indirectly, enter into or otherwise consent to any Bank Agreement which such Bank Agreement provides such Person with different or more restrictive covenants, different or additional events of default and/or greater rights and remedies than are provided to the Purchaser in this Agreement, the County shall provide the Purchaser with a copy of each such Bank Agreement and such different or more restrictive covenants, different or additional events of default and/or greater rights and remedies shall automatically be deemed to be incorporated into this Agreement and the Purchaser shall have the benefits of such different or more restrictive covenants, different or additional events of default and/or greater rights and remedies as if specifically set forth herein. The County shall promptly enter into an amendment to this Agreement to include different or more restrictive covenants, different or additional events of default and/or greater rights and remedies; *provided* that the Purchaser shall have and maintain the benefit of such different or more restrictive covenants, different or additional events of default and/or greater rights and remedies even if the County fails to provide such amendment.

ARTICLE VII

EVENTS OF DEFAULT

Section 7.01. Events of Default. The occurrence of any of the following events (whatever the reason for such event and whether voluntary, involuntary, or effected by operation of Law) shall be an "Event of Default" hereunder, unless waived in writing by Purchaser:

(a) the County shall fail to pay the principal of or interest on any Bond (including any Unremarketed Bond) when due (whether by scheduled maturity, required prepayment, redemption or otherwise);

(b) the County shall fail to pay any Obligation (other than the obligation to pay the principal of or interest on the Bonds or Unremarketed Bonds) when due and such failure shall continue for three (3) Business Days;

(c) any representation or warranty made by or on behalf of the County in this Agreement or in any other Related Document or in any certificate or statement delivered

hereunder or thereunder shall be incorrect or untrue in any material respect when made or deemed to have been made or delivered;

(d) the County shall default in the due performance or observance of any of the covenants set forth in Sections 6.02, 6.05, 6.07, 6.08, 6.09, 6.13, 6.14, 6.15, 6.16, 6.17 and 6.18 hereof; or

(e) the County shall default in the due performance or observance of any other term, covenant or agreement contained in this Agreement or any other Related Document and such default shall remain unremedied for a period of thirty (30) days after the occurrence thereof;

(f) the County shall (i) have entered involuntarily against it an order for relief under the United States Bankruptcy Code, as amended, (ii) become insolvent or shall not pay, or be unable to pay, or admit in writing its inability to pay, its debts generally as they become due, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its Property, (v) institute any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code, as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, marshalling of assets, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (vi) take any corporate action in furtherance of any matter described in parts (i) through (v) above, or (vii) fail to contest in good faith any appointment or proceeding described in Section 7.01(g) of this Agreement;

(g) a custodian, receiver, trustee, examiner, liquidator or similar official shall be appointed for the County or any substantial part of its Property, or a proceeding described in Section 7.01(f)(v) shall be instituted against the County and such proceeding continues undischarged or any such proceeding continues undismissed or unstayed for a period of thirty (30) or more days;

(h) a debt moratorium, debt restructuring, debt adjustment or comparable restriction is imposed on the repayment when due and payable of the principal of or interest on any Debt of the County by the County or any Governmental Authority with appropriate jurisdiction;

(i) (i) any provision of this Agreement or any Related Document related to (A) payment of principal of or interest on the Bonds (including Unremarketed Bonds) or any LTGO Debt or (B) the validity or enforceability of the pledge of the full faith and credit of the County pursuant to [Ordinance ____] shall at any time for any reason cease to be valid and binding on the County as a result any legislative or administrative action by a Governmental Authority with competent jurisdiction, or shall be declared, in a final

nonappealable judgment by any court of competent jurisdiction, to be null and void, invalid or unenforceable; or

(ii) the validity or enforceability of any material provision of this Agreement or any Related Document related to (A) payment of principal of or interest on the Bonds (including Unremarketed Bonds) or any LTGO Debt, or (B) the validity or enforceability of the pledge of the full faith and credit of the County pursuant to [Ordinance ____] shall be publicly contested by the County; or

(iii) any other material provision of this Agreement or any other Related Document, other than a provision described in clause (i) above, shall at any time for any reason cease to be valid and binding on the County as a result of any legislative or administrative action by a Governmental Authority with competent jurisdiction or shall be declared in a final non-appealable judgment by any court with competent jurisdiction to be null and void, invalid, or unenforceable, or the validity or enforceability thereof shall be publicly contested by the County;

(j) dissolution or termination of the existence of the County;

(k) the County shall (i) default on the payment of the principal of or interest on any unlimited or limited tax general obligation Debt of the County including, without limitation, any regularly scheduled payments on Swap Contracts which constitute limited or unlimited tax general obligation Debt of the County, beyond the period of grace, if any, provided in the instrument or agreement under which such Debt was created or incurred; or (ii) default in the observance or performance of any agreement or condition relating to any unlimited or limited tax general obligation Debt of the County or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist, the effect of which default, event of default or similar event or condition is to cause (determined without regard to whether any notice is required) any such Debt to become immediately due and payable in full as the result of the acceleration, mandatory redemption or mandatory tender of such Debt;

(l) any final, unappealable judgment or judgments, writ or writs or warrant or warrants of attachment, or any similar process or processes, which are not covered in full by insurance, with written acknowledgement of such coverage having been provided by the provider of such insurance coverage to the Purchaser, in an aggregate amount not less than \$10,000,000 shall be entered or filed against the County or against any of its Property and remain unpaid, unvacated, unbonded or unstayed for a period of sixty (60) days;

(m) any "event of default" under any Related Document (as defined respectively therein) shall have occurred; or

(n) any of Fitch, Moody's and S&P shall have downgraded its rating of any long-term unenhanced LTGO Debt of the County to below "BBB-" (or its equivalent), "Baa3" (or its equivalent), or "BBB-" (or its equivalent) respectively, or suspended or withdrawn its rating of the same.

Section 7.02. Consequences of an Event of Default. If an Event of Default specified in Section 7.01 hereof shall occur and be continuing, the Purchaser may take one or more of the following actions at any time and from time to time (regardless of whether the actions are taken at the same or different times):

(a) (i) by written notice to the County, declare the outstanding amount of the Obligations under this Agreement to be immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived, and an action therefor shall immediately accrue;

(ii) deliver a written notice to the County that an Event of Default has occurred and is continuing and direct the County to cause a mandatory tender of the Bonds or take such other remedial action as is provided for in **[Ordinance ____]**;

(iii) either personally or by attorney or agent without bringing any action or proceeding, or by a receiver to be appointed by a court in any appropriate action or proceeding, take whatever action at law or in equity may appear necessary or desirable to collect the amounts due and payable under the Related Documents or to enforce performance or observance of any obligation, agreement or covenant of the County under the Related Documents, whether for specific performance of any agreement or covenant of the County or in aid of the execution of any power granted to the Purchaser in the Related Documents;

(iv) cure any Default, Event of Default or event of nonperformance hereunder or under any Related Document; *provided, however*, that the Purchaser shall have no obligation to effect such a cure; and

(v) exercise, or cause to be exercised, any and all remedies as it may have under the Related Documents (other than as provided for in clause (ii) of this Section 7.02(a)) and as otherwise available at law and at equity.

(b) Notwithstanding the provisions of Section 7.02(a)(i) or 7.02(a)(ii), (x) the Purchaser shall not cause a mandatory tender of the Bonds as described in Section 7.02(a)(i) or 7.02(a)(ii) until seven (7) days after the occurrence of an Event of Default specified in Section 7.01(a), 7.01(f), 7.01(g), 7.01(h), 7.01(i)(i), 7.01(i)(ii), 7.01(j) or 7.01(k) and (y) the Purchaser shall notify the County of a mandatory tender at least one hundred eighty (180) days prior thereto in the case of any Event of Default not specified in the immediately preceding clause (x). Notwithstanding the foregoing sentence of this Section 7.02(b), if any other holder or credit enhancer of Debt or any counterparty under any Swap Contract related thereto causes any such Debt or other obligations of the

County to become immediately due and payable, the Purchaser may immediately, without notice, avail itself of the remedies set forth in Section 7.02(a)(i) or 7.02(a)(ii) hereof and/or declare or cause to be declared the unpaid principal amount of all outstanding Bonds, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder to be immediately due and payable.

Section 7.03. Remedies Cumulative; Solely for the Benefit of Purchaser. To the extent permitted by, and subject to the mandatory requirements of, applicable Law, each and every right, power and remedy herein specifically given to the Purchaser in the Related Documents shall be cumulative, concurrent and nonexclusive and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy (whether specifically herein given or otherwise existing) may be exercised from time to time and as often and in such order as may be deemed expedient by the Purchaser, and the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy.

The rights and remedies of the Purchaser specified herein are for the sole and exclusive benefit, use and protection of the Purchaser, and the Purchaser is entitled, but shall have no duty or obligation to the County, the Registrar or any other Person or otherwise, to exercise or to refrain from exercising any right or remedy reserved to the Purchaser hereunder or under any of the other Related Documents.

Section 7.04. Waivers or Omissions. No delay or omission by the Purchaser in the exercise of any right, remedy or power or in the pursuit of any remedy shall impair any such right remedy or power or be construed to be a waiver of any default on the part of the Purchaser or to be acquiescence therein. No express or implied waiver by the Purchaser of any Event of Default shall in any way be a waiver of any future or subsequent Event of Default.

Section 7.05. Discontinuance of Proceedings. In case the Purchaser shall proceed to invoke any right, remedy or recourse permitted hereunder or under the Related Documents and shall thereafter elect to discontinue or abandon the same for any reason, the Purchaser shall have the unqualified right so to do and, in such event, the County and the Purchaser shall be restored to their former positions with respect to the Obligations, the Related Documents and otherwise, and the rights, remedies, recourse and powers of the Purchaser hereunder shall continue as if the same had never been invoked.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Amendments, Etc. No amendment or waiver of any provision of this Agreement or any other Related Document, and no consent to any departure by the County therefrom, shall be effective unless in writing signed by the Purchaser and the County, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. In the case of any such waiver or consent relating to any provision

hereof, any Default or Event of Default so waived or consented to shall be deemed to be cured and not continuing, but no such waiver or consent shall extend to any other or subsequent Default or Event of Default or impair any right consequent thereto.

Section 8.02. Notices; Effectiveness; Electronic Communication. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, if to the County, the Purchaser or the Registrar, to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule I. Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (c).

(b) *Electronic Communications.* Notices and other communications to the Purchaser hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Purchaser.

(c) Unless the Purchaser otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; *provided* that, for both clauses (i) and (ii), if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(d) In no event shall the Purchaser or any of its Related Parties have any liability to the County or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the County's, the Registrar's or the Purchaser's transmission of materials through the Internet.

(e) *Change of Address, Etc.* Each of the County, the Purchaser and the Registrar may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the other parties hereto.

(f) *Reliance by the Purchaser.* The Purchaser shall be entitled to rely and act upon any notices (including telephonic or electronic notices) purportedly given by or on behalf of the County even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The County shall indemnify the Purchaser from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the County. All telephonic notices to and other telephonic communications with the Purchaser may be recorded by the Purchaser, and each of the parties hereto hereby consents to such recording.

Section 8.03. No Waiver; Cumulative Remedies; Enforcement. No failure by the Purchaser to exercise, and no delay by the Purchaser in exercising, any right, remedy, power or privilege hereunder or under any other Related Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Related Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Section 8.04. Costs and Expenses; Damage Waiver. (a) The County shall pay (i) all reasonable out-of-pocket expenses incurred by the Purchaser and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Purchaser), in connection with the preparation, negotiation, execution, delivery and administration of this Agreement and the other Related Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the Purchaser in connection with the purchase of the Bonds and (iii) all out-of-pocket expenses incurred by the Purchaser (including the reasonable fees, charges and disbursements of any counsel for the Purchaser), and shall pay all reasonable fees and time charges for attorneys who may be employees of the Purchaser, in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Related Documents, including its rights under this Section, or (B) in connection with the purchase of the Bonds, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such purchase.

(b) *Indemnification by the County.* To the extent permitted by applicable Laws, the County shall indemnify the Purchaser (and any sub-agent thereof) and each Related Party of the Purchaser (each such Person being called an "Indemnatee") against, and hold each Indemnatee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of any counsel for any Indemnatee), and shall indemnify and hold harmless each Indemnatee from all reasonable fees and time charges and disbursements for attorneys who may be employees of any Indemnatee, incurred by any Indemnatee or asserted against any Indemnatee by any Person (including the County) other than such Indemnatee and its Related Parties arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Related Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions

contemplated hereby or thereby, or, in the case of the Purchaser (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Related Documents (including in respect of any matters addressed in Section 3.01), (ii) the purchase of the Bonds or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the County, or any Environmental Liability related in any way to the County, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the County, and regardless of whether any Indemnitee is a party thereto; *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by the County or any other party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Related Document, if the County or other party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. Without limiting the provisions of Section 3.01(c), this Section 8.04(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) *Waiver of Consequential Damages, Etc.* To the fullest extent permitted by applicable Laws, the County shall not assert, and hereby waives, and acknowledges that no other Person shall have, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Related Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, the purchase of the Bonds or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Related Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

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

(e) *Survival.* The agreements in this Section shall survive the resignation of the term of this Agreement and the repayment, satisfaction or discharge of all the other Obligations.

Section 8.05. Payments Set Aside. To the extent that any payment by or on behalf of the County is made to the Purchaser, or the Purchaser exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Purchaser in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then to the extent of

such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred.

Section 8.06. Successors and Assigns.

(a) *Successors and Assigns Generally.* This Agreement is a continuing obligation and shall be binding upon the County, its successors, transferees and assigns and shall inure to the benefit of the Bondholders and their respective permitted successors, transferees and assigns. The County may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Purchaser. Each Bondholder may, in its sole discretion and in accordance with applicable Law, from time to time assign, sell or transfer in whole or in part, this Agreement, its interest in the Bonds and the Related Documents in accordance with the provisions of paragraph (b) or (c) of this Section. Each Bondholder may at any time and from time to time enter into participation agreements in accordance with the provisions of paragraph (d) of this Section. Each Bondholder may at any time pledge or assign a security interest subject to the restrictions of paragraph (e) of this Section. Banc of America Preferred Funding Corporation shall be the Purchaser hereunder until such time as the Majority Bondholder designates an alternate Person to serve as the Purchaser hereunder by delivery of written notice to the County and the Registrar and such Person accepts and agrees to act as the Purchaser hereunder and under the Related Documents. The Majority Bondholder may so designate an alternate Person to act as the Purchaser from time to time. Upon acceptance and notification thereof to the County and the Registrar, the successor to the Purchaser for such purposes shall thereupon succeed to and become vested with all of the rights, powers, privileges and responsibilities of the Purchaser, and Banc of America Preferred Funding Corporation or any other Person being replaced as the Purchaser shall be discharged from its duties and obligations as the Purchaser hereunder.

(b) *Sales and Transfers by Bondholder to a Purchaser Transferee.* Without limitation of the foregoing generality, a Bondholder may at any time sell or otherwise transfer to one or more transferees all or a portion of the Bonds to a Person that is (i) an Affiliate of the Purchaser or ((ii) a trust or other custodial arrangement established by the Purchaser or an Affiliate of the Purchaser, the owners of any beneficial interest in which are limited to “qualified institutional buyers” as defined in Rule 144A promulgated under the 1933 Act, (each, a “*Purchaser Transferee*”). From and after the date of such sale or transfer, Banc of America Preferred Funding Corporation (and its successors) shall continue to have all of the rights of the Purchaser hereunder and under the other Related Documents as if no such transfer or sale had occurred; *provided, however,* that (A) no such sale or transfer referred to in clause (b)(i) or (b)(ii) hereof shall in any way affect the obligations of the Purchaser hereunder, (B) the County and the Registrar shall be required to deal only with the Purchaser with respect to any matters under this Agreement and (C) in the case of a sale or transfer referred to in clause (b)(i) or (b)(ii) hereof, only the Purchaser shall be entitled to enforce the provisions of this Agreement against the County.

(c) *Sales and Transfers by Bondholder to a Non-Purchaser Transferee.* (i) Without limitation of the foregoing generality, a Bondholder may at any time sell or otherwise transfer to

one or more transferees which are not Purchaser Transferees but each of which constitutes a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act or an “accredited investor” as defined in Rule 501 of Regulation D under the 1933 Act (each a “Non-Purchaser Transferee”) all or a portion of the Bonds if (A) written notice of such sale or transfer, including that such sale or transfer is to a Non-Purchaser Transferee, together with addresses and related information with respect to the Non-Purchaser Transferee, shall have been given to the County, the Registrar and the Purchaser (if different than the Bondholder) by such selling Bondholder and Non-Purchaser Transferee, and (B) the Non-Purchaser Transferee shall have delivered to the County, the Registrar and the selling Bondholder, an investment letter in substantially the form attached as Attachment C to [Ordinance ____] (the “Investor Letter”).

(ii) From and after the date the County, the Registrar and the selling Bondholder have received written notice and an executed Investor Letter, (A) the Non-Purchaser Transferee thereunder shall be a party hereto and shall have the rights and obligations of a Bondholder hereunder and under the other Related Documents, and this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to effect the addition of the Non-Purchaser Transferee, and any reference to the assigning Bondholder hereunder and under the other Related Documents shall thereafter refer to such transferring Bondholder and to the Non-Purchaser Transferee to the extent of their respective interests, and (B) if the transferring Bondholder no longer owns any Bonds, then it shall relinquish its rights and be released from its obligations hereunder and under the Related Documents.

(d) *Participations.* The Purchaser shall have the right to grant participations in all or a portion of the Purchaser’s interest in the Bonds, this Agreement and the other Related Documents to one or more other banking institutions; *provided, however,* that (i) no such participation by any such participant shall in any way affect the obligations of the Purchaser hereunder and (ii) the County and the Registrar shall be required to deal only with the Purchaser, with respect to any matters under this Agreement, the Bonds and the other Related Documents and no such participant shall be entitled to enforce any provision hereunder against the County.

(e) *Certain Pledges.* The Purchaser may at any time pledge or grant a security interest in all or any portion of its rights under the Bonds, this Agreement and the Related Documents to secure obligations of the Purchaser, including any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided* that no such pledge or assignment shall release the Purchaser from any of its obligations hereunder or substitute any such pledgee or assignee for the Purchaser as a party hereto.

Section 8.07. Treatment of Certain Information; Confidentiality Each of the County, the Purchaser and the Registrar agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in

connection with the exercise of any remedies hereunder or under any other Related Document or any action or proceeding relating to this Agreement or any other Related Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the County and its obligations, this Agreement or payments hereunder, (g) on a confidential basis to (i) any rating agency in connection with rating the County or the credit facilities provided hereunder or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the credit facilities provided hereunder, (h) with the consent of the County or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Purchaser or any of its Affiliates on a nonconfidential basis from a source other than the County. For purposes of this Section, "Information" means all information received from the County relating to the County or any of their respective businesses, other than any such information that is available to the Purchaser on a nonconfidential basis prior to disclosure by the County, provided that, in the case of information received from the County after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

The Purchaser acknowledges that (a) the Information may include material non-public information concerning the County, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information.

Section 8.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, the Purchaser and its Affiliates are hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Purchaser or any such Affiliate to or for the credit or the account of the County against any and all of the obligations of the County now or hereafter existing under this Agreement or any other Related Document to the Purchaser or its Affiliates, irrespective of whether or not the Purchaser or its Affiliates shall have made any demand under this Agreement or any other Related Document and although such obligations of the County may be contingent or unmatured or are owed to a branch, office or Affiliate of the Purchaser different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness. The Purchaser agrees to notify the County promptly after any such setoff and application; *provided* that the failure to give such notice shall not affect the validity of such setoff and application.

Section 8.09. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall

constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Related Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Purchaser and when the Purchaser shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging means (e.g., "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 8.10. Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Related Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Purchaser, regardless of any investigation made by the Purchaser or on its behalf and notwithstanding that the Purchaser may have had notice or knowledge of any Default at the time of the purchase of the Bonds, and shall continue in full force and effect as long as any Obligation hereunder shall remain unpaid or unsatisfied.

Section 8.11. Severability. If any provision of this Agreement or the other Related Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Related Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 8.12. Governing Law; Jurisdiction; Etc. (a) THIS AGREEMENT AND THE OTHER RELATED DOCUMENTS AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER RELATED DOCUMENT (EXCEPT, AS TO ANY OTHER RELATED DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK (OTHER THAN NEW YORK GENERAL OBLIGATIONS LAWS 5-1401 AND 5-1402); PROVIDED THAT THE OBLIGATIONS OF THE COUNTY HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE.

(b) *Submission to Jurisdiction.* The County irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Purchaser or any Related Party of the Purchaser in any way relating to this Agreement or any other Related Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of Washington sitting in King County and of the United States District Court for the Western District of Washington, and any appellate court from any thereof, and each of the parties hereto

irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such Washington State Court or, to the fullest extent permitted by applicable law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Related Document shall affect any right that the Purchaser may otherwise have to bring any action or proceeding relating to this Agreement or any other Related Document against the County or its Properties in the courts of any jurisdiction.

(c) *Waiver of Venue.* THE COUNTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER RELATED DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

Section 8.13. Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER RELATED DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER RELATED DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 8.14. No Advisory or Fiduciary Relationship. The County acknowledges and agrees that its dealing with the Purchaser are solely in the nature of a debtor/creditor relationship and that in no event shall the Purchaser be considered to be a partner or joint venturer of the County. Also, the County represents and warrants that it has independently evaluated the business transaction and has not relied upon, nor will it rely upon, the expertise, advice or other comments or statements of the Purchaser (including agents of the Purchaser), if any, in deciding to pursue such undertaking. As the County is experienced in business, in no event shall the Purchaser owe any fiduciary or similar obligations to it in connection with the subject transaction.

Section 8.15. Electronic Execution of Certain Documents. The words "execute," "execution," "signed," "signature," and words of like import in any in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Purchaser, or the keeping of records in electronic form, each of which

shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 8.16. USA Patriot Act. The Purchaser is subject to the Patriot Act and hereby notifies the County that pursuant to the requirements of the Patriot 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 Purchaser to identify the County in accordance with the Act. The County shall, promptly following a request by the Purchaser, provide all documentation and other information that the Purchaser requests in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act.

Section 8.17. Time of the Essence. Time is of the essence of the Related Documents.

Section 8.18. Further Assurances. From time to time upon the request of either party hereto, the other shall promptly and duly execute, acknowledge and deliver any and all such further instruments and documents as the requesting party may in its reasonable discretion deem necessary or desirable to confirm this Agreement, and the other Related Documents, to carry out the purpose and intent hereof and thereof or to enable the requesting party to enforce any of its rights hereunder or thereunder. At any time, and from time to time, upon request by the Purchaser, the County will, at the County’s expense, correct any defect, error or omission which may be discovered in the form or content of any of the Related Documents. Upon any failure by the County to do so, the Purchaser may make, execute and record any and all such instruments, certificates and other documents for and in the name of the County, all at the sole expense of the County, and the County hereby appoints the Purchaser, the agent and attorney-in-fact of the County to do so, this appointment being coupled with an interest and being irrevocable. In addition, at any time, and from time to time, upon request by the Purchaser, the County will, at the County’s expense, provide any and all further instruments, certificates and other documents as may, in the opinion of the Purchaser, be necessary or desirable in order to verify the County’s identity and background in a manner satisfactory to the Purchaser, as the case may be.

Section 8.19. No Third-Party Rights. Nothing in this Agreement, whether express or implied, shall be construed to give to any Person other than the parties hereto and the Bondholders any legal or equitable right, remedy or claim under or in respect of this Agreement, which is intended for the sole and exclusive benefit of the parties hereto.

Section 8.20. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 8.21. Acknowledge and Appointment as the Calculation Agent. The Purchaser hereby acknowledges and accepts its appointment as Calculation Agent during the Initial Period

pursuant to [Ordinance ____] and acknowledges, accepts and agrees to all the duties and obligations of the Calculation Agent set forth in [Ordinance ____].

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

[SIGNATURES BEGIN ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the Effective Date.

Banc of America Preferred Funding Corporation

By _____
Name: Eric Kosmin
Title: _____

KING COUNTY, WASHINGTON

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

SCHEDULE I

ADDRESSES

The County: King County
Department of Finance
500 Fourth Avenue, 6th Floor
Seattle, Washington 98104-1598
Attention: Nigel Lewis
Facsimile: (206) 296-7345
Telephone: (206) 296-1168

The Purchaser: Banc of America Preferred Funding Corporation
c/o Bank of America, N.A.
800 Fifth Avenue, 34th Floor
Seattle, Washington 98104-3176
Attention: Public Sector Banking
Facsimile: (206) 585-9223
Telephone: (503) 795-6459

The Registrar: The Bank of New York Mellon
101 Barclay Street, 7W
New York, New York 10286
Attention: Corporate Trust Bond Registrar
Administration

INVESTOR LETTER

_____, 2013

King County, Washington
Seattle, Washington 98104

Re: \$_____ King County, Washington Multi-Modal Limited Tax General
Obligation Refunding Bonds, 2013

Ladies and Gentlemen:

This letter is to provide you with certain representations and agreements with respect to our purchase of all of the above-referenced bonds (the "Bonds"), dated their date of issuance. The Bonds were issued by King County, Washington (the "County") under and secured in the manner set forth pursuant to Ordinance No. _____ (as the same may be amended, modified or restated, the "Ordinance"). Banc of America Preferred Funding Corporation (the "Purchaser") is purchasing the Bonds pursuant to a Continuing Covenant Agreement, dated as of _____, 2013, between the County and the Purchaser. The Purchaser hereby represents and warrants to you, and agrees with you, as follows:

1. The undersigned is a duly appointed, qualified and acting representative of the Purchaser and is authorized (a) to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Bonds and (b) to cause the Purchaser to make the certifications, representations and warranties contained herein by execution of this letter on behalf of the Purchaser.
2. The Purchaser has the authority to purchase the Bonds.
3. The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Bonds.
4. The Purchaser is either a "qualified institutional buyer," as defined in Rule 144A promulgated under the federal Securities Act of 1933, as amended (the "1933 Act") or an "accredited investor," as defined in Rule 501 of Regulation D under the 1933 Act.
5. The Purchaser understands that the Bonds have not been registered pursuant to the 1933 Act, the securities laws of any state nor has the Ordinance been qualified pursuant to the federal Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions set forth therein. The Purchaser acknowledges that the Bonds (a) are not being registered or otherwise qualified for sale under the "blue sky" laws and regulations of any state, and (b) will not be listed on any securities exchange.

6. The Purchaser has not offered, offered to sell, offered for sale or sold any of the Bonds by means of any form of general solicitation or general advertising, and the Purchaser is not an underwriter of the Bonds within the meaning of Section 2(11) of the 1933 Act.

7. The Purchaser understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to the Bonds. The Purchaser has made its own inquiry and analysis with respect to the County, the Bonds and the security therefor and other material factors affecting the security for and payment of the Bonds.

8. The Purchaser understands that the Bonds are exempt from the ongoing disclosure requirements of Rule 15c2-12 under the federal Securities Exchange Act of 1934, as amended.

9. The Purchaser acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, regarding the County, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the County, the Bonds and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase the Bonds.

10. The Bonds are being acquired by the Purchaser for investment for its own account and not with a present view toward resale or distribution; provided, however, that the Purchaser reserves the right to sell, transfer or distribute the Bonds, but agrees that any such sale, transfer or distribution shall be to a Person:

(a) That is an "Affiliate" (as defined in the Ordinance) of the Purchaser;

(b) That is a trust or other custodial arrangement established by the Purchaser or one of its Affiliates, the owners of any beneficial interest in which are limited to "qualified institutional buyers," as defined in Rule 144A promulgated under the 1933 Act; or

(c) That the Purchaser reasonably believes to be a "qualified institutional buyer," as defined in Rule 144A promulgated under the 1933 Act or an "accredited investor," as defined in Rule 501 of Regulation D under the 1933 Act, in either case, who executes an investor letter substantially in the form of this letter.

Very truly yours,

BANC OF AMERICA PREFERRED FUNDING
CORPORATION

By: _____
Name:
Title: