

CONTINUING COVENANT AGREEMENT

dated as of November ___, 2016,

between

KING COUNTY, WASHINGTON,

and

STATE STREET PUBLIC LENDING CORPORATION

relating to:

\$100,000,000
King County, Washington
Junior Lien Variable Rate Demand Sewer Revenue Bonds,
Series 2015A and 2015B

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CONTINUING COVENANT AGREEMENT

This CONTINUING COVENANT AGREEMENT dated as of November ____, 2016 (as amended, modified or restated from time to time, this “*Agreement*”), by and between KING COUNTY, WASHINGTON, a political subdivision of the State of Washington (the “*County*”) and STATE STREET PUBLIC LENDING CORPORATION.

RECITALS

WHEREAS, the County has issued its King County, Washington Junior Lien Variable Rate Demand Sewer Revenue Bonds, Series 2015A and Series 2015B (collectively, the “*Bonds*”) pursuant to that certain Ordinance 18141 passed by the County Council on October 26, 2015 (as amended, modified or restated from time to time in accordance with the provisions thereof and hereof, and together with Motion _____ passed by the County Council on _____, 2016, the “*Ordinance*”) and

WHEREAS, the Purchaser (as hereinafter defined) has agreed to purchase the Bonds, 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 the Ordinance, the following terms shall have the meanings set forth below:

“*Act*” means the comprehensive plan for metropolitan water pollution abatement under the authority of chapters 36.35 and 35.58 of the Revised Code of Washington.

“*Affiliate*” of any Person means any other Person directly or indirectly through one or more intermediaries, controlling, controlled by or under common control with such Person. A Person shall be deemed to control another Person if the controlling Person owns 10% or more of any class of voting securities (or other ownership interests) of the controlled Person or possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of stock, by contract or otherwise.

“*Alternate Base Rate*” means a fluctuating rate of interest per annum equal to the highest of (i) the Prime Rate plus one hundred basis points (1.0%), (ii) the Federal Funds Rate plus two hundred basis points (2.0%), or (iii) six hundred and fifty basis points (6.50%). Each change in

the Alternate Base Rate shall take effect simultaneously with the corresponding change or changes in the Prime Rate or the Federal Funds Rate, as the case may be.

“Agreement” shall have the meaning set forth in the introductory paragraph hereof.

“Amortization End Date” means the earlier to occur of (i) the third (3rd) anniversary of the Mandatory Tender Date, (ii) the date on which the interest rate on all the Bonds has been converted to an interest rate other than the Direct Purchase Rate applicable during the Direct Purchase Rate Period, (iii) the date on which all Bonds are redeemed, repaid, prepaid or cancelled in accordance with the terms of the Ordinance, or (iv) the date on which all of the Bonds are remarketed to a purchaser of the Bonds other than the Purchaser.

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

“Amortization Payment Date” means, with respect to any Bonds, (a) the Initial Amortization Payment Date and each first Business Day of each sixth month thereafter occurring 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.

“Anti-Terrorism Laws” has the meaning set forth in Section 5.01(x) hereof.

“Authorized Denomination” means \$250,000 and any integral multiple of \$5,000 in excess thereof.

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

“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 undertakes to make or provide funds to make payment of, or to purchase or provide credit enhancement for bonds or notes of the County secured by or payable from Revenue of the System on a parity with or subordinate to the Bonds.

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

“Bond 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.

“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, or, with respect to Sections 2.04, 8.04 and 8.05 hereof and Article III hereof, was a Bondholder during the relevant period of time.

“*Bonds*” shall have the meaning set forth in the recitals hereof.

“*Business Day*” means a day which is not (a) a Saturday, Sunday or legal holiday on which banking institutions in New York, New York, Boston, Massachusetts or the state where the principal corporate office of the Registrar is located are authorized by law to close, (b) a day on which the New York Stock Exchange or the Federal Reserve Bank is closed or (c) a day on which the principal offices of the of the Calculation Agent and the Purchaser are closed.

“*Calculation Agent*” means State Street Public Lending Corporation, together with any successor or assignee approved by the County and the Purchaser in writing.

“*Change in Law*” means the occurrence, after the Effective Date, of any of the following: (i) the adoption or taking effect of any law, rule, regulation or treaty, (ii) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (iii) 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, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) 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 or any successor Basel accord, 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, and the final, temporary or proposed regulations, rulings and proclamations promulgated thereunder.

“*Compliance Certificate*” means a certificate substantially in the form of Exhibit A hereto.

“*Computation Date*” means the second London banking day preceding the Effective Date and each Reset Date thereafter.

“*Controlled Group*” means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the County, are treated as a single employer under Section 414 of the Code.

“*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.

“*Default Rate*” means, for any day, a rate of interest per annum equal to the sum of the Alternate Base Rate in effect on such day plus three percent (3.0%).

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

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

(ii) on the date on which a 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 shall have occurred unless, on or prior to that date such firm of attorneys shall have withdrawn such opinion in full as to such conclusion, or such other nationally recognized firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance shall have issued an opinion to the effect that an Event of Taxability has not occurred, or any present or former Bondholder or the County shall have received a ruling or determination letter issued to or on behalf of the County by 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;

(iii) on the date when the County shall be advised in writing by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time, including an employee subordinate to one of these officers who has been authorized to provide such advice) 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) on the date when the County shall receive notice from a 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 reasonable 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 a Bondholder, the Purchaser 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.

“*Direct Purchase Applicable Spread*” means, initially, 48 basis points (0.48%), and upon the effective date of any rating action announced by the applicable Rating Agency that results in

a change in the lowest long-term unenhanced rating assigned to publicly-offered Junior Lien Obligations, shall be as follows:

A1/A+ and above	48 basis points (0.48%)
A2/A	58 basis points (0.58%)
A3/A-	73 basis points (0.73%)
Baa1/BBB+	98 basis points (0.98%)
Baa2/BBB	123 basis points (1.23%)

In the event of the adoption of any new or changed rating system, each of the ratings referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. The Applicable Spread shall be adjusted cumulatively according to the schedule above for any rating downgrade. As provided in Section 2.03, upon the occurrence and during the continuance of any rating downgrade, suspension, withdrawal, or cancellation under Section 7.01(xi) that constitutes an Event of Default, the Bond Obligations shall bear interest at the Default Rate.

“Direct Purchase Rate” means an interest rate determined on each Computation Date equal to the product of (i) the sum of (A) the product of the LIBOR Index multiplied by 70% plus (B) the Direct Purchase Applicable Spread, multiplied by (ii) the Margin Rate Factor.

“Direct Purchase Rate Period” means the period from the Effective Date to November 15, 2019, as such period may be extended in accordance with the provisions of this Agreement.

“Dollars”, “US\$”, “\$” and “U.S. Dollars” means the lawful currency of the United States of America.

“DTC” means The Depository Trust Company.

“Effective Date” means November 15, 2016, subject to the satisfaction or waiver by the Purchaser of the conditions precedent set forth in Article IV hereof.

“Environmental Laws” means all applicable federal, state, local and foreign laws, statutes, ordinances, codes, rules, standards and regulations, now or hereafter in effect, and any applicable judicial or administrative interpretation thereof, including any applicable judicial or administrative order, consent decree, order or judgment, imposing liability or standards of conduct for or relating to the regulation and protection of human health, safety, the environment and natural resources (including ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and vegetation). *“Environmental Laws”* include, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. §§ 9601 et seq.) (*“CERCLA”*); the Hazardous Materials Transportation Authorization Act of 1994 (49 U.S.C. §§ 5101 et seq.); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §§ 136 et seq.); the Solid Waste Disposal Act (42 U.S.C. §§ 6901 et seq.); the Toxic Substance Control Act (15 U.S.C. §§ 2601 et seq.); the Clean Air Act (42 U.S.C.

§§ 7401 et seq.); the Federal Water Pollution Control Act (33 U.S.C. §§ 1251 et seq.); the Occupational Safety and Health Act (29 U.S.C. §§ 651 et seq.); and the Safe Drinking Water Act (42 U.S.C. §§ 300(f) et seq.), and any and all regulations promulgated thereunder, and all analogous state, local and foreign counterparts or equivalents and any transfer of ownership notification or approval statutes.

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

“*Event of Default*” with respect to this Agreement shall have the meaning set forth in Section 7.01 of this Agreement and, with respect to any Related Document, shall have the meaning set forth 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 a 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 such Bondholder or such former Bondholder for federal income tax purposes with respect to the Bonds.

“*Excess Interest Amount*” shall have the meaning set forth in Section 2.05 hereof.

“*Executive Order*” has the meaning set forth in Section 5.01(x) hereof.

“*Federal Funds Rate*” means, for any day, the rate of interest per annum as determined by the Purchaser at which overnight Federal Funds are offered to the Purchaser for such day by major banks in the interbank market, with any change in such rate to become effective as to the County on the date of any change in such rate. Each determination of the Federal Funds Rate by the Purchaser shall be deemed conclusive and binding on the County absent manifest error.

“*Fiscal Year*” means the twelve month period from January 1 through the following December 31.

“*Fitch*” means Fitch Ratings, its successors and assigns.

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

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

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

“Governmental Authorization” means any permit, license, authorization, plan, directive, consent order or consent decree of or from any Governmental Authority.

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

“Indebtedness” 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 Indebtedness of others secured by a lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person, (f) all Guarantees by such Person of Indebtedness of other Persons and (g) all obligations of such Person under any Swap Agreement.

“Initial Amortization Payment Date” means the first Business Day of the sixth (6th) full calendar month following the Mandatory Tender Date.

“Interest Payment Date” means (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” means an investor letter substantially in the form of Exhibit B hereto.

“Junior Lien Obligations” has the meaning set forth in the Ordinance.

“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.

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

“*Mandatory Tender Date*” means the last day of the Direct Purchase Rate Period, a Purchase Date on which the Bonds are subject to mandatory tender for purchase pursuant to Section F.4 of the Motion.

“*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 Mandatory Tender Date and accrued interest thereon, if applicable.

“*Margin Rate Factor*” means the greater of (i) 1.0 and (ii) the product of (A) one minus the Maximum Corporate Tax Rate multiplied by (B) 1.53846. The effective date of any change in the Margin Rate Factor shall be the effective date of the decrease or increase (as applicable) in the Maximum Corporate Tax Rate resulting in such change.

“*Margin Stock*” shall have 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, as to the County, (A) any material adverse change in or effect on (i) the ability of the County to issue the Bonds or otherwise consummate the transactions contemplated by this Agreement or the Ordinance, (ii) the ability of the County to perform any of its obligations under the Bonds, this Agreement or the Ordinance, taken as a whole, or (iii) the legality, validity, binding effect or enforceability against the County of the Bonds, this Agreement or the Ordinance, or (B) any material reduction in the Revenue of the System from the most recently delivered annual audited financial statements of the System.

“*Maximum Corporate Tax Rate*” means the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect from time to time (or, if as a result of a change in the Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Purchaser, the maximum statutory rate of federal income taxation which could apply to the Purchaser).

“*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., its successors and assigns.

“*Motion*” means that certain Motion _____ passed by the County Council on _____, 2016, with respect to the Bonds.

“*Multi-Modal LTGO/Sewer Revenue Bonds*” has the meaning set forth in the Ordinance.

“*1933 Act*” has the meaning set forth in Section 8.06(b) hereof.

“*Net Revenue*” has the meaning set forth in the Ordinance.

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

“*OFAC*” has the meaning set forth in Section 5.01(x) hereof.

“*Ordinance*” has the meaning set forth in the recitals hereof.

“*Other Taxes*” shall have the meaning set forth in Section 3.01(a) hereof.

“*Parity Bond Ordinance*” means, collectively, each ordinance of the County authorizing the issuance of Parity Bonds.

“*Parity Bonds*” has the meaning set forth in the Ordinance.

“*Parity Lien Obligations*” has the meaning set forth in the Ordinance.

“*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).

“*PBGC*” means the Pension Benefit Guaranty Corporation or any successor thereto.

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

“*Plan*” means an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code as to which the County or a member of the Controlled Group may have any liability.

“*Potential Default*” means an event which but for the lapse of time or the giving of notice, or both, would constitute an Event of Default.

“*Prime Rate*” means the rate of interest per annum from time to time announced by the Purchaser as its prime rate (which is not intended to be the lowest rate of interest charged by the Purchaser in connection with the extension of credit to its customers). Each change in the Prime Rate shall take effect at the time of such change in such prime rate. Each determination of the Prime Rate by the Purchaser will be conclusive and binding on the County absent manifest error.

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

“*Purchase Price*” shall have the meaning set forth in Section 2.01(a) hereof.

“*Purchaser*” means, initially, State Street Public Lending Corporation, a wholly-owned subsidiary of State Street Bank and Trust Company, and its successors and assigns, and upon the receipt from time to time by 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 Mandatory Tender Date to and including the thirtieth (30th) day immediately succeeding the Mandatory Tender Date, the Alternate Base Rate from time to time in effect, (ii) from the period from and including the thirty-first (31st) day immediately succeeding the Mandatory Tender Date to and including the ninetieth (90th) day immediately succeeding the Mandatory Tender Date, the Alternate Base Rate from time to time in effect plus one percent (1.0%), and (iii) from the period from and including the ninety-first (91st) day immediately succeeding the Mandatory Tender Date and thereafter, the Alternate Base Rate from time to time in effect plus two percent (2.0%); *provided that* if an Event of Default has occurred and is continuing, the Purchaser Rate shall equal the Default Rate.

“*Purchaser Transferee*” shall have the meaning set forth in Section 8.06(b) hereof.

“*Rating Agency*” means any of Fitch, Moody’s or S&P, as applicable.

“*Rating Documentation*” shall have the meaning set forth in Section 4.01(d)(iv) hereof.

“*Registrar*” means the Registrar appointed pursuant to the terms of the Ordinance and each successor thereto appointed in accordance with the terms of the Ordinance and this Agreement.

“*Related Documents*” means this Agreement, the Ordinance, the Tax Certificate, the Bonds, and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing.

“*Revenue of the System*” has the meaning set forth in the Ordinance.

“*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.

“*Reset Date*” means the first Business Day of each month.

“*S&P*” means Standard & Poor’s, a division of The McGraw-Hill Companies, its successors and assigns.

“*State*” means the State of Washington.

“*Subordinate Lien Obligations*” has the meaning set forth in the Ordinance.

“*Swap Agreement*” means (i) 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 (ii) 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.

“*System*” has the meaning set forth in the Ordinance.

“*Tax Certificate*” means the federal tax certificate dated as of the Effective Date and executed by the County, with respect to the Bonds, as the same may be amended or supplemented in accordance with its terms.

“*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*” shall have the meaning set forth in Section 2.04 hereof.

“*Taxable Rate*” means, with respect to a Taxable Period, the product of (i) the interest rate on the Bonds during such period and (ii) 1.54.

“*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, fines, 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 Mandatory Tender Date.

Section 1.02 Computation of Time Periods. In this Agreement, in the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding.”

Section 1.03 Construction. Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular, the singular includes the plural and the part includes the whole and “or” has the inclusive meaning represented by the phrase “and/or.” The words “hereof,” “herein,” “hereunder” and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. The word “including” has the meaning “including, but not limited to.” The section headings contained in this Agreement and the table of contents preceding this Agreement are for reference purposes only and shall not control or affect the construction of this Agreement or the interpretation thereof in any respect. Section, subsection and exhibit references are to this Agreement unless otherwise specified.

Section 1.04 Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared, in accordance with GAAP.

Section 1.05 Relation to Other Documents; Acknowledgment of Different Provisions of Related Documents; Incorporation by Reference.

(a) Nothing in this Agreement shall be deemed to amend or relieve the County of its obligations under any Related Document to which it is a party. Conversely, to the extent that the provisions of any Related Document allow the County to take certain actions, or not to take certain actions, with regard, for example, to permitted liens, incurrence of Indebtedness, transfers of assets, maintenance of financial ratios and similar matters, the County nevertheless shall be fully bound by the provisions of this Agreement.

(b) Except as provided in Section 1.05(c) hereof, all references to other documents shall be deemed to include all amendments, modifications and supplements thereto to the extent such amendment, modification or supplement is made in accordance with the provisions of such document and this Agreement.

(c) All provisions of this Agreement making reference to specific sections of any Related Document shall be deemed to incorporate such sections into this Agreement by reference as though specifically set forth herein (with such changes and modifications as may be herein provided) and shall continue in full force and effect with respect to this Agreement notwithstanding payment of all amounts due under or secured by the Related Documents, the termination or defeasance thereof or any amendment thereto or any waiver given in connection therewith, so long as this Agreement is in effect and until all Bond Obligations are paid in full. No amendment, modification, consent, waiver or termination with respect to any of such sections which would materially and adversely affect the Purchaser shall be effective as to this Agreement until specifically agreed to in writing by the parties hereto with specific reference to this Agreement.

(d) The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms.

(e) Any capitalized terms used herein which are not specifically defined herein shall have the same meanings herein as set forth in the Ordinance. Any terms defined herein by reference to the Ordinance or any requirement that an action be taken in accordance with any Related Document shall refer to such documents as in effect on the date of issuance of the Bonds unless the Purchaser has agreed in writing to any applicable amendment which would materially and adversely affect the Purchaser.

(f) All references in this Agreement to times of day shall be references to New York City time.

ARTICLE II

PURCHASE OF BONDS AND THE COUNTY'S OBLIGATIONS

Section 2.01 Purchase of Bonds.

(a) *Purchase Price.* Upon the satisfaction of 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, and the County hereby agrees to cause to be sold to the Purchaser, all, but not less than all, of the Bonds at the purchase price of \$100,000,000 representing the aggregate principal amount of the Bonds (the "*Purchase Price*").

(b) *Closing.* On the Effective Date, the County shall deliver or cause to be delivered to the Purchaser, the documents described in and otherwise satisfy the conditions described in Article IV hereof. Upon the satisfaction of such conditions, the Purchaser will pay the Purchase Price for the Bonds in immediately available federal funds payable to the County. One fully registered Bond for each series of the Bonds, in the aggregate principal amount equal to the Purchase Price, shall be issued to and registered in the name of the Purchaser, or as otherwise directed by the Purchaser. The Bonds shall be so issued and registered to and held by the Purchaser, or as otherwise directed by the Purchaser.

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 Bondholders under the Related Documents and to pay any other Bond Obligations owing to the Bondholders pursuant to the Related Documents, 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 Bond Obligations.

(b) In the event the Purchaser has not received the Mandatory Tender Purchase Price on the Mandatory Tender Date, the County shall cause the Unremarketed Bonds to be purchased or redeemed on the Mandatory Tender Date; *provided that*, if the County is required to cause Unremarketed Bonds to be purchased or redeemed as set forth above and (i) no Potential 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 the Mandatory Tender Date, then the County shall cause the principal amount of such Bonds to be purchased or redeemed in installments payable not later than 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 purchased or redeemed not later than the Amortization End Date (the period commencing on the Mandatory Tender Date and ending on the Amortization End Date is herein referred to as the “*Amortization Period*”). Each Amortization Payment shall be not less than that amount of principal which, calculated as of the Mandatory Tender Date, will result in equal (as nearly as possible) aggregate Amortization Payments over the Amortization Period, or if less, the then-outstanding principal amount of such Bonds to be purchased or redeemed. During the Amortization Period, interest on Unremarketed Bonds shall accrue at the Purchaser Rate and be payable monthly in arrears on the first Business Day of each calendar month.

(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 and remedies 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 equal to \$5,000, 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, remedies and obligations under this Agreement and the other Related Documents as a result of the occurrence of, or in connection with, an Event of Default or Potential Default, 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 Potential Default, Event of Default or event of nonperformance by the County hereunder or under any Related Document, together with interest at the Default Rate.

(d) The Calculation Agent shall determine the Direct Purchase Rate on each Computation Date. Each Direct Purchase Rate shall become effective on the Reset Date succeeding the Computation Date. Interest at the Direct Purchase Rate shall accrue each day during each Direct Purchase Rate Period, commencing on and including the first day of the Direct Purchase Rate Period to but excluding the last day of the Direct Purchase Rate Period. The Direct Purchase Rate shall be rounded upward to the third decimal place. Following the determination of the Direct Purchase Rate, the Calculation Agent shall give notice of the Direct Purchase Rate to the Registrar and to the County by Electronic Notice not less than one Business Day prior to the Reset Date. If the Direct Purchase Rate is not determined by the Calculation Agent on the Computation Date, the interest rate to be borne by the Bonds shall be the rate determined on the preceding Computation Date until the Calculation Agent next determines the Direct Purchase Rate. All interest (including interest at the Default Rate) accrued on Bond

Obligations shall be calculated on the basis of the actual number of days elapsed in a 360-day year.

Section 2.03 Default Rate. Upon the occurrence and during the continuance of an Event of Default, the Bond 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 therefor.

Section 2.04 Determination of Taxability. (a) In the event a Determination of Taxability occurs, to the extent not payable to each Bondholder under the terms of the Ordinance and the Bonds, the County hereby agrees to pay to each Bondholder on demand therefor (i) an amount equal to the difference between (A) the amount of interest that would have been paid to such Bondholder on the Bonds during the period for which interest on the Bonds is included in the gross income of such Bondholder 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 as a result of interest on the Bonds becoming included in the gross income of such Bondholder, together with any and all reasonable attorneys’ fees, court costs, or other out-of-pocket costs incurred by such Bondholder in connection therewith;

(b) Subject to the provisions of paragraph (c) below, such Bondholder shall afford the County the reasonable 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 (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); *provided* that, in no event shall a Bondholder be required 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; 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 for any and all expenses (including reasonable attorneys’ fees for services that may be required or desirable, as determined by such Bondholder (in its sole discretion) that may be incurred by the Bondholder in connection with any such contest, and shall, on demand, immediately reimburse the Bondholder for any payments, including any taxes, interest, penalties or other charges payable by such Bondholder 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 on 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 Interest Payment 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 the Ordinance and 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.

Section 2.07 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 an Interest Payment Date for any reason, whether before or after default, and whether or not such payment is required by any provision of this Agreement or the 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 2.08 Optional Purchase, Prepayment, Redemption or Conversion.

(a) Subject to Section 2.07 and the terms of this Section, each Business Day is a County Elective Purchase Date. Subject to Section 2.07 and the terms of this Section, the Bonds are also subject to prepayment or redemption prior to the Maturity Date at the option of the County on any Business Day, in whole or in part, at a price equal to the principal amount of the Bonds to be prepaid or redeemed, plus interest accrued thereon to the date fixed for prepayment or redemption, without premium.

(b) Notice of redemption of the Bonds after the Mandatory Tender Date may be given not less than five days prior to the date fixed for redemption.

(c) If the Registrar has given notice in accordance with the Ordinance of a Conversion of the Bonds to take effect prior to the Mandatory Tender Date and the Conversion does not take effect, the Bonds shall continue to bear interest at the Direct Purchase Rate.

(d) In the event that the County shall cause all or a portion of the Bonds to be purchased on a County Elective Purchase Date, prepaid, redeemed or otherwise refunded in whole or in part, or the interest rate on all or a portion of the Bonds to be converted to an interest rate other than the Direct Purchase Rate, prior to the date which is the eighteenth (18th) month anniversary of the Effective Date, the County shall pay to the Purchaser a fee in connection with each such purchase, prepayment, redemption, refunding or conversion of such Bonds from the Direct Purchase Rate, in an amount equal to the product of (A) the Direct Purchase Applicable Spread in effect on the date of such purchase, prepayment, redemption, refunding or conversion, as applicable, (B) the principal amount of the Bonds to be so purchased, prepaid, redeemed, refunded or converted to an interest rate other than the Direct Purchase Rate, and (C) a fraction, the numerator of which is equal to the number of days from and including the date of such purchase, prepayment, redemption, refunding or conversion, as applicable, to and including the eighteenth (18th) month anniversary of the Effective Date, and the denominator of which is 360, payable on the date of such purchase, prepayment, redemption, refunding or conversion, as applicable.

Section 2.09 Purchaser Consent to Subsequent Direct Purchase Rate Period. So long as the Purchaser is the Bondholder, on or before the date two hundred ten (210) days prior to the end of the Direct Purchase Rate Period, the County may provide written notice to the Purchaser of its desire to convert the Bonds to a new Direct Purchase Rate Period and requesting the Purchaser to purchase such Bonds in such new Direct Purchase Rate Period. 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 cause the Bonds to be purchased or redeemed at the Mandatory Tender Purchase Price on the Mandatory Tender Date, subject to Section 2.02(b) hereof.

Section 2.10 No Bond Rating; CUSIP, DTC; Offering Document. The Bonds shall not be (i) assigned a specific rating by any Rating Agency, (ii) registered with DTC or any other securities depository, (iii) issued pursuant to any type of official statement, private placement memorandum or other offering document, (iv) assigned a CUSIP number or (v) placed or offered by a broker-dealer in the capacity of an underwriter or placement agent.

ARTICLE III

TAXES AND YIELD PROTECTION

Section 3.01 Net of Taxes, Etc.

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

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

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

(d) Without prejudice to the survival of any other agreement of the County hereunder, the agreements and obligations of the County contained in this Section shall survive the termination of this Agreement and the payment in full of the Bonds and the obligations of the County thereunder and hereunder.

Section 3.02 Increased Costs.

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

(i) impose, modify or deem applicable any reserve, liquidity ratio, 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, a Bondholder;

(ii) subject a Bondholder to any taxes, charges, fees, deductions or withholding of any kind with respect to this Agreement or the Bonds (except for Taxes or Other Taxes covered by Section 3.01), or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on a Bondholder any other condition, cost or expense affecting this Agreement, the Bonds or any transaction hereunder;

and the result of any of the foregoing shall be to increase the cost to 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 such Bondholder hereunder (whether of principal, interest or any other amount) then, upon request of such Bondholder or the Purchaser, as applicable, the County will pay to such Bondholder or the Purchaser, as applicable, such additional amount or amounts as will compensate such Bondholder, for such additional costs incurred or reduction suffered, subject to paragraph (d) below.

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

(c) *Certificates for Reimbursement.* A certificate of a Bondholder or the Purchaser, as applicable, setting forth the amount or amounts necessary to compensate 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 such Bondholder or the Purchaser, as applicable, the amount shown as due on any such certificate within thirty (30) days after receipt thereof.

(d) *Delay in Requests.* Failure or delay on the part of a Bondholder or the Purchaser, as applicable, to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of such Bondholder's right to demand such compensation; *provided* that the County shall not be required to compensate the Purchaser or any other Bondholder pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than ninety (90) days prior to the date that the Purchaser or any such other Bondholder, notifies the County of the Change in Law giving rise to such increased costs or reductions and of the Purchaser's or any 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 ninety (90) day period referred to above shall be extended to include the period of retroactive effect thereof).

Section 3.03 Survival. All of the County's obligations under this Article III shall survive the termination of this Agreement and the repayment, satisfaction or discharge of all other Bond Obligations.

ARTICLE IV

CONDITIONS PRECEDENT TO PURCHASE OF BONDS

Section 4.01 Documentary Requirements. The obligation of the Purchaser to purchase the Bonds on the Effective Date 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 and resolutions of the governing body of the County approving the execution and delivery of the Related Documents to which the County is a party 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 System for the Fiscal Year ended December 31, 2015, together with internally prepared unaudited financial statements of the System for each fiscal quarter(s) ended since the end of such Fiscal Year;

(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, titles, offices 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; and

(ii) an executed original of the Bond of each series of 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 counsel to the County, opinions 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;

(ii) from Bond Counsel, opinions to the effect that the interest on the Bonds is excludable from gross income for federal income tax purposes 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, 2015, 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 Potential Default or Event of Default and (D) since the dated date of the Rating Documentation, the unenhanced long-term debt ratings assigned to any publicly-offered Junior Lien Obligations have not been withdrawn, suspended or reduced;

(ii) a certificate dated the Effective Date and executed by a County Representative, certifying that the County is in compliance with the covenants set forth in Section 15(A) and Section 15(B) of Ordinance 18141;

(iii) true and correct copies of all Governmental Authorizations, if any, necessary for the County to execute, deliver and perform the Related Documents to which it is a party;

(iv) recent evidence that the unenhanced long-term debt rating assigned by Moody's, S&P and Fitch to the publicly-offered Junior Lien Obligations is at least "A1," "A+" and "A+," respectively (the "*Rating Documentation*");

(v) evidence satisfactory to the Purchaser that any rating by any Rating Agency and any CUSIP number assigned to the Bonds prior to the Effective Date have been removed and no longer pertain to the Bonds; and

(vi) receipt of an executed flow of funds memorandum by an officer of the County set forth in the County's incumbency certificate and authorized to execute transaction documents as set forth in the County's authorizing resolution.

Section 4.02 Litigation. The Purchaser shall have received a written description of all actions, suits or proceedings pending or threatened against the County 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 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 (or direct payment) of the Purchaser's fees and expenses (including the legal fees and expenses of McGuireWoods LLP) and any other fees incurred in connection with the transaction contemplated by the Related Documents.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

Section 5.01 Representations and Warranties. The County hereby makes the following representations and warranties to the Purchaser and each Bondholder:

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

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

(c) Binding Effect; Security. This Agreement, the Bonds and the Related Documents constitute valid and binding agreements of the County, enforceable in accordance with their respective terms except as (x) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and (y) the availability of equitable remedies may be limited by equitable principles of general applicability. The Bonds

have been duly and validly issued under the Ordinance and are entitled to the benefits thereof, and the Ordinance is or will be on the Effective Date in full force and effect.

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

(e) Financial Information.

(i) The audited financial statements of the System for the fiscal year ended December 31, 2015 fairly present the financial position of the System at the end of such fiscal year and the results of operations for the year then ended, in conformity with GAAP except as otherwise expressly described therein.

(ii) Except as described in writing to the Purchaser, since December 31, 2015 there has been no material adverse change in the financial position, results of operations or prospects of the System. Since December 31, 2015, no transaction or event shall have occurred and no change shall have occurred in the condition (financial or otherwise) or operations of the System which materially adversely affects the issuance of any of the Bonds, the pledge of Revenue of the System for the payment of the Bonds, the Revenue of the System, or the ability of the County to repay when due its obligations under this Agreement, any of the Bonds, the Ordinance and the other Related Documents.

(f) Litigation. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, arbitrator, governmental agency or authority, or other board, body or official, pending or, to the best knowledge of the County, threatened against or affecting the County, questioning the validity of the Ordinance or any proceeding taken or to be taken by the County in connection with the execution, delivery and performance by the County of the Related Documents or this Agreement, or seeking to prohibit, restrain or enjoin the execution, delivery or performance by the County of any of the foregoing, nor, to the best knowledge of the County, is there any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect (i) the validity of the Ordinance or the other Related Documents, (ii) the validity or enforceability of, or the authority or ability of the County to perform its obligations under, the Ordinance, the other Related Documents or this Agreement, (iii) the ability of the County to conduct the activities of the System as presently conducted or as proposed or contemplated to be conducted under the terms of this Agreement, the Ordinance and the other Related Documents, or (iv) the exemption of interest on any tax-exempt bond or note of the County from Federal income taxes.

(g) No Sovereign Immunity. Pursuant to Section 4.08.120 of the Revised Code of Washington, the defense of sovereign immunity is not available to the County in any proceeding by the Purchaser to enforce any of the obligations of the County under this Agreement or the Bonds.

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

or any other form of bonus, incentive compensation, deferred compensation or other similar plan or arrangement other than a “governmental plan” within the meaning of Section 414(b) of the Code or Section 3(32) of ERISA.

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

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

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

(l) No Usury. Pursuant to Section 19.52.080 of the Revised Code of Washington, the terms of this Agreement regarding the calculation and payment of interest and fees do not contravene any applicable usury laws.

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

(n) Compliance with Laws. The County is in compliance with all Laws, ordinances, orders, rules and regulations applicable to the System (including ERISA and Environmental Laws), except to the extent noncompliance would not reasonably be expected to result in a Material Adverse Effect.

(o) 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, which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated by reference with the same effect as if each and every

such representation and warranty and defined term were set forth herein in its entirety. No amendment to such representations and warranties or defined terms made pursuant to the Related Documents shall be effective to amend such representations and warranties and defined terms as incorporated by reference herein without the written consent of the Purchaser.

(p) Status of Obligations. The principal of and interest on the Bonds and the Bond Obligations constitute a limited obligation of the County. As provided in the Ordinance, the principal of and interest on the Bonds and the Bond Obligations shall be payable solely from, and the Bonds shall be secured by a Lien on, the Revenue of the System. Other than Parity Bonds, Parity Payment Agreements, Parity Lien Obligations, Parity Lien Obligation Payment Agreements and reimbursement obligations related to any of the foregoing, the Ordinance does not permit the issuance of Indebtedness secured by a pledge of the Revenue of the System that ranks senior to the Lien on the Revenue of the System securing the payment of the principal of and interest on the Bonds and other Junior Lien Obligations. No filing, registering, recording of the Ordinance or any other instrument is required to establish the pledge or to protect or maintain the Lien created thereby on the Revenue of the System.

(q) Senior Debt. As of the Effective Date, with the exception of outstanding Parity Bonds and Parity Lien Obligations and reimbursement obligations related to the foregoing, the County has not issued, incurred, assumed or Guaranteed any Indebtedness which is outstanding and is (i) payable from Revenue of the System and (ii) senior, as to the priority of payment or security, to the Bonds. The Bonds and the other Junior Lien Obligations are on a parity as to priority of payment and security as provided in Section 10 of Ordinance 18141.

(r) Margin Stock. The County is not engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock.

(s) Swap Termination Payments; Cash Collateral. The County has not entered into any Swap Agreement (i) pursuant to which termination payments are secured by any lien on the Revenue of the System prior in priority to the lien on the Revenue of the System securing the Bonds or (ii) which requires the County to post cash collateral to secure its obligations thereunder.

(t) No Acceleration. Except as set forth in certain Parity Bond Ordinances, no credit provider, liquidity provider, bond insurer, bond purchaser or any other Person is permitted to accelerate or otherwise cause the maturity of any Indebtedness of the County secured by a Lien on Revenue of the System to become due prior to its respective scheduled terms.

(u) Casualty. Neither the business nor the Property of the System is currently affected by any fire, explosion, accident, strike, lockout or other labor dispute, drought, storm, hail, earthquake, embargo, act of God or of the public enemy or other casualty (whether or not covered by insurance), which could have a Material Adverse Effect.

(v) Securities Act. No registration of the Bonds is required under the 1933 Act, and the Ordinance is not required to be qualified under the Trust Indenture Act of 1939, as amended.

(w) Anti-Terrorism Laws. (i) The County is not in violation of any Laws relating to terrorism or money laundering (“*Anti-Terrorism Laws*”), including Executive Order No.13224 on Terrorist Financing, effective September 24, 2001 (the “*Executive Order*”), and the Patriot Act;

(ii) The County is not any of the following:

(A) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(B) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(C) a Person with which the Purchaser is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(D) a Person that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order; or

(E) a Person that is named as a “specially designated national and blocked person” on the most current list published by the Office of Foreign Asset Control (“*OFAC*”) or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list; and

(iii) The County does not (A) conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in subsection (ii)(B) above, (B) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (C) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

ARTICLE VI

COVENANTS

Section 6.01 Covenants. The County covenants and agrees that, until the full and final payment and satisfaction of all of the Bond Obligations, unless the Purchaser shall otherwise consent in writing:

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

(i) as soon as practicable and, in any event, within 180 days after the end of each fiscal year of the County, financial statements consisting of a balance sheet of the System as of the end of such fiscal year and a statement of revenues, expenditures and changes in fund balance of the System for such fiscal year, in each case, setting forth in

comparative form the corresponding figures (if any) for the preceding fiscal year, all in reasonable detail and accompanied, if available, by (i) an audit report of the County's independent public accountants or the state auditor stating that they have (except as noted herein) been prepared in accordance with GAAP, and (ii) a certificate from an authorized financial officer of the County (A) stating that no Potential Default or Event of Default has come to his or her attention which was continuing at the end of such fiscal year or on the date of his or her certificate, or, if applicable, indicating the nature of such Potential Default or Event of Default and the action which the County proposes to take with respect thereto, and (B) setting forth the financial data and computations evidencing the County's current compliance with the covenants set forth in Section 15 of Ordinance 18141;

(ii) if not provided together with the financial statements described in clause (i) above, as soon as available and in any event within 270 days after the end of each fiscal year of the County, an audit report of the System prepared by the County's independent public accountants or the state auditor and accompanied by financial statements of the type described in clause (i) above, stating that such financial statements have (except as noted therein) been prepared in accordance with GAAP, and accompanied by a certificate from an authorized financial officer of the County stating that no Potential Default or Event of Default has come to his or her attention which was continuing at the end of such fiscal year or on the date of his or her certificate, or, if applicable, indicating the nature of such Potential Default or Event of Default and the action which the County proposes to take with respect thereto;

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

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

(v) promptly, but, in any event, within five (5) Business Days after receipt by the County of notification thereof, notice of any change, suspension or termination in the ratings on the publicly-offered Parity Bonds, Parity Lien Obligations or Junior Lien Obligations by any of the Rating Agencies;

(vi) promptly, notice of the failure of the County to make a payment under any Parity Bonds, Parity Lien Obligations or Junior Lien Obligations;

(vii) promptly (A) notice of the failure by the Registrar to perform any of its obligations under the Related Documents to which such entity is a party, and (B) notice of any proposed conversion, prepayment, redemption or refunding of the Bonds;

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

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

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

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

(xii) immediately upon the occurrence of a default under any Parity Bond Ordinance that results in the acceleration of the related Parity Bonds, notice of such event; and

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

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

(c) Registrar. The County shall not appoint any Person to perform the duties of the Registrar without the consent of the Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed; *provided, however*, that the Purchaser's consent is not required for any successor state fiscal agency to assume the duties of Registrar hereunder or under the Ordinance. The Purchaser hereby consents to the state fiscal agency of the State of Washington, currently U.S. Bank National Association, acting as the Registrar.

(d) Incorporation of Covenants by Reference. (i) The County agrees that it will perform and comply with each and every covenant and agreement required to be performed or

observed by it in the Ordinance, including, without limitation, Sections 15 and 16 of Ordinance 18141, and in the other Related Documents, all of which provisions, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety. To the extent that (a) any such incorporated provision permits any Person to waive compliance with or consent to such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to any Person and (b) any such waiver or consent or acceptance of a document, opinion or other instrument would adversely affect the interests of the Purchaser, then for purposes of this Agreement, such provision shall be complied with only if it is waived or consented to in writing by the Purchaser and such document, opinion or other instrument shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Purchaser. Without the written consent of the Purchaser, no amendment to such covenants and agreements or defined terms made pursuant to any certificate or any other Related Document shall be effective to amend such covenants and agreements and defined terms as incorporated by reference herein.

(ii) In the event that the County shall, directly or indirectly, enter into or otherwise consent to any Bank Agreement, whether now in effect or entered into by the County after the date hereof, which includes financial covenants, events of default or remedies (including more rapid term-out periods or acceleration) more restrictive or different than those included in this Agreement, such financial covenants, events of default or remedies (including, without limitation, acceleration), as well as related defined terms contained in such Bank Agreement, are hereby incorporated by reference (all of the foregoing are collectively referred to herein as the "*Incorporated Provisions*") in this Section 6.01(d)(ii) for the benefit of the Purchaser with the same effect as if each and every such Incorporated Provision were set forth in this Section 6.01(d)(ii) in its entirety. The County will perform and comply with each and every Incorporated Provision incorporated herein. The County further covenants to promptly execute and deliver at its expense an amendment to this Agreement in form and substance satisfactory to the Purchaser evidencing the amendment of this Agreement to include such Incorporated Provisions, *provided* that the execution and delivery of such amendment shall not be a precondition to the effectiveness of such amendment as provided for in this Section 6.01(d)(ii), but shall merely be for the convenience of the parties hereto. To the extent that any such Incorporated Provision (A) permits any Person or Persons to waive compliance with such provision or (B) requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to any Person or Persons, then for purposes of this Agreement, such Incorporated Provision shall be complied with hereunder only if (x) it is waived by the Purchaser or (y) such document, opinion or other instrument and such event or condition shall be acceptable or satisfactory to the Purchaser, which acceptance or satisfaction shall not be unreasonably withheld or delayed. No amendment to such Incorporated Provisions made pursuant to any of the Related Documents or otherwise shall be effective to amend such Incorporated Provision without the prior written consent of the Purchaser and such Incorporated Provision shall remain in full force, except to the extent modified, amended or waived by the Purchaser, whether or not the respective document containing such Incorporated Provision remains in effect, whether or not the original beneficiary of such Incorporated Provision continues to be a creditor of the County or whether or not such original beneficiary has otherwise lost its rights to enforce such Incorporated Provision.

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

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

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

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

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

(j) Compliance with Law. The County will comply with and observe the obligations and requirements set forth in the Ordinance, the Constitution of the State and the statutes (including Environmental Laws), regulations, orders or writs binding upon it relating to the Bonds or otherwise applicable to the operations, affairs, properties, condition (financial or otherwise) or prospects of the System, except to the extent such non-compliance would not reasonably be expected to have a Material Adverse Effect.

(k) Proceeds of Bonds. (i) No part of the proceeds of the Bonds or any advance hereunder will be used to purchase or carry any Margin Stock or to extend credit to others for the purpose of purchasing or carrying Margin Stock; and (ii) the County shall use the proceeds of the Bonds for the purposes set forth in the Ordinance.

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

(m) Further Assurances. From time to time hereafter, the County will promptly, and in any event within seven (7) Business Days after receiving any such request, execute and deliver such additional instruments, certificates or documents, and will take all such actions as the

Purchaser may reasonably request for the purposes of implementing or effectuating the provisions of this Agreement and each of the Related Documents.

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

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

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

(q) Disclosure. The County shall not refer to the Purchaser in any official statement or make any changes in reference to the Purchaser in any official statement without the Purchaser's prior written consent thereto; *provided* that the County shall be permitted to identify in its annual audited financial statements of the System, the principal amount of the Bonds held by the Purchaser (but without identifying the Purchaser by name) and the manner in which interest on the Bonds is calculated (but without specific reference to the actual Direct Purchase Applicable Spread or pricing grid with respect to the Bonds); and *provided, further*, that in no event shall specific fees payable to the Purchaser hereunder or in connection with the Bonds be identified or described. The Purchaser hereby consents to any reference to the Purchaser in official statements of the County which is substantially in the form of Exhibit C hereto, so long as the foregoing prohibitions are also met.

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

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

(t) Insurance. The County shall maintain or cause to be maintained insurance or self-insurance covering such casualties and contingencies, of such types as are presently covered and in such amounts as required by the Ordinance.

(u) Maintenance of Property. The County shall maintain, preserve and keep all of the Properties of the System in accordance with the terms of the Ordinance.

(v) Swap Agreements. The County shall not enter into any Swap Agreement relating to Indebtedness secured by a pledge of the Revenue of the System (i) wherein any termination payments thereunder are senior to or on parity with the payment of the Bonds (including Unremarketed Bonds) or (ii) which requires the County to post cash collateral to secure its obligations thereunder.

(w) No Acceleration of Other Obligations. To the extent permitted by law, the County shall not grant the remedy of acceleration to any person holding any Parity Bonds, Parity Lien Obligations or Junior Lien Obligations upon the occurrence of an event of default with respect to such debt unless the County shall grant the Purchaser the right to accelerate amounts owed hereunder and pursuant to the Bonds upon the occurrence of an Event of Default.

(x) No Partial Conversion. The County shall not convert or permit the conversion of the interest rate on less than all the Bonds to any other interest rate mode other than the Direct Purchase Rate applicable during the Direct Purchase Rate Period under the Ordinance without the prior written consent of the Purchaser.

(y) Maintenance of Rating. The County shall maintain not less than two long-term unenhanced credit ratings on its Parity Bonds from the Rating Agencies during the term of this Agreement.

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 the Purchaser:

(i) default by the County in the payment of (A) any amounts (principal or interest) payable under the Bonds (including any Unremarketed Bond) when and as due, or (B) other amounts or other Bond Obligations required to be paid or reimbursed under this Agreement to the Purchaser or any other Bondholder when and as the same shall become due and payable;

(ii) any representation or warranty made by the County in this Agreement, the Related Documents or in any certificate or information delivered in connection herewith or therewith shall prove to have been materially false or materially misleading either on the date hereof or on the date when made (or deemed made);

(iii) default in the due observance or performance by the County of any covenant set forth (or incorporated by reference) in Article VI (other than Section 6.01(a)(i), Section 6.01(a)(ii), Section 6.01(a)(iii), Section 6.01(m) or Section 6.01(t));

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

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

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

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

(viii) this Agreement, the Ordinance or the Bonds or any material provision hereof or thereof with respect to the payment of principal or interest on the Bonds (including Unremarketed Bonds) or with respect to the pledge of the Revenue of the System or any other pledge or security interest created under the Ordinance, shall for any reason cease to be valid and binding on the County, or an officer of the County shall deny that the County has any or further liability under this Agreement, the Ordinance or the Bonds or any material provision hereof or thereof with respect to the payment of principal or interest on the Bonds (including Unremarketed Bonds) or with respect to the pledge of the Revenue of the System or any other pledge or security interest created under the Ordinance, or any Governmental Authority having jurisdiction shall find or rule that this Agreement, the Ordinance or the Bonds or any material provision hereof or thereof with respect to the payment of principal or interest on the Bonds (including Unremarketed Bonds) or with respect to the pledge of the Revenue of the System or any other pledge or security interest created under the Ordinance, is not valid or binding on the County;

(ix) the County shall (i) default in any payment of principal of, premium, if any, or interest on any Junior Lien Obligations, Parity Lien Obligations or Parity Bonds, other than Indebtedness owed pursuant to this Agreement; or (ii) default in the observance or performance of any other agreement or condition relating to any such Junior Lien Obligations, Parity Lien Obligations or Parity Bonds or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Junior Lien Obligations, Parity Lien Obligations or Parity Bonds (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Junior Lien Obligations, Parity Lien Obligations or Parity Bonds to become due and payable;

(x) the County shall (i) default on the payment of the principal of or interest on any Multi-Model LTGO/Sewer Revenue Bonds or Subordinate Lien Obligations, beyond the period of grace, if any, provided in the instrument or agreement under which such Multi-Model LTGO/Sewer Revenue Bonds or Subordinate Lien Obligations were created or incurred, *provided* that no such payment default as described in this clause (i) shall constitute an Event of Default so long as (A) the party or parties which failed to receive such payment from the County shall be stayed from executing, or otherwise not legally permitted to execute, on any Property of the System with respect to such default and (B) as a result of such default or failure to perform on behalf of County thereof, no other holder of any other Multi-Model LTGO/Sewer Revenue Bonds or Subordinate Lien Obligations or any Junior Lien Obligations, Parity Lien Obligations or Parity Bonds shall have declared such Indebtedness due and payable prior to the maturity date thereof or otherwise commenced its exercise of remedies pursuant to the agreement or instrument relating to such Indebtedness; or (ii) default in the observance or performance of any agreement or condition relating to any Multi-Model LTGO/Sewer Revenue Bonds or Subordinate Lien Obligations, 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 permit (determined without regard to whether any notice is required) any such Multi-Model LTGO/Sewer Revenue Bonds or Subordinate Lien Obligations to become immediately due and payable in full as the result of the acceleration or mandatory redemption of such Multi-Model LTGO/Sewer Revenue Bonds or Subordinate Lien Obligations;

(xi) any final, non-appealable judgment or judgments, writ or writs or warrant or warrants of attachment, or any similar process or processes in an aggregate amount in excess of \$10,000,000 and payable from the Revenue of the System on a parity basis with the Bonds, shall be rendered against the County and remain unpaid, unvacated, unbonded, uninsured, or unstayed for a period of sixty (60) days; or

(xii) the long-term rating of any Junior Lien Obligations, Parity Lien Obligations or Parity Bonds is lowered below "BBB" (or its equivalent) by S&P or Fitch or "Baa2" (or its equivalent) by Moody's, or such long-term ratings are suspended, withdrawn or cancelled by S&P, Fitch or Moody's (*provided* that the County shall not be

in default due to the failure to maintain three such long-term ratings so long as (i) it maintains two such long-term ratings from any of Moody's, S&P or Fitch, and (ii) it has caused such long-term rating from such third Rating Agency to be withdrawn for ordinary course business reasons and shall not have withdrawn any such long-term rating from such third Rating Agency for credit-related reasons or in order to cure or otherwise avoid any Event of Default or any interest rate or other pricing implications).

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):

(i) by written notice to the County, declare the outstanding amount of the Bond 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 the 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) at the expense of the County, cure any Potential 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 and as otherwise available at law and at equity.

Section 7.03 Solely for the Benefit of Purchaser. 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 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 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 Bond Obligations, the Related Documents and otherwise, and the rights, remedies, recourse and powers of the Purchaser 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 Potential 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 Potential 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 fax transmission or e-mail transmission 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 or the Purchaser, to the address, fax number, e-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 fax transmission or e-mail transmission 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).

(b) Each of the County and the Purchaser may change its address, fax number or telephone number or e-mail address for notices and other communications hereunder by notice to the other parties hereto.

(c) 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. 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. 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 agrees to pay to the Purchaser (i) on the date of execution of this Agreement, all reasonable costs and expenses incurred by the Purchaser and its counsel in connection with the preparation, execution and delivery of this Agreement and any other documents and instruments that may be delivered in connection therewith, *provided*, that such counsel fees shall not exceed \$45,000 plus disbursements, and (ii) all costs, charges and expenses (including reasonable fees and expenses of counsel for the Purchaser, and out-of-pocket expenses of the Purchaser) otherwise arising in connection with this Agreement and the other Related Documents, including, without limitation, in connection with any amendment or waiver with respect to this Agreement, the Bonds and the other Related Documents and any stamp and other taxes and fees payable or determined to be payable in connection with the execution and delivery of this Agreement and any other documents or instruments that may be delivered in connection therewith.

(b) To the extent permitted by law, the County agrees to indemnify and hold each Bondholder harmless from and against, and to pay on demand, any and all claims, damages, losses, liabilities, costs and expenses whatsoever which such Bondholder may incur or suffer by reason of or in connection with (i) the issuance and sale of the Bonds, (ii) the execution and delivery or performance of this Agreement or any other documents which may be delivered in connection with this Agreement, or (iii) any breach by the County of any warranty, covenant, term or condition in, or the occurrence of any default under, this Agreement or any other Related Document, including, without limitation, the reasonable fees and expenses of counsel for the Purchaser with respect thereto and with respect to advising such Bondholder as to its rights and responsibilities under the Bond or any other Related Document and all reasonable fees and expenses, if any, in connection with the enforcement or defense of the rights of such Bondholder in connection with the Bonds, this Agreement or any of the Related Documents, or the collection of any monies due under the Bonds, this Agreement or such other documents which may be delivered in connection with this Agreement or any of the Related Documents; except, only if, and to the extent that any such claim, damage, loss, liability, cost or expense shall be caused by such Bondholder's gross negligence or willful misconduct as determined by a court of competent jurisdiction. Promptly after receipt by a Bondholder of notice of the commencement, or threatened commencement, of any action subject to the indemnities contained in this Section 8.04(b) such Bondholder shall promptly notify the County thereof, *provided* that failure to give such notice shall not relieve the County from any liability to such Bondholder hereunder. The obligations of the County under this Section 8.04(b) shall survive payment of all obligations by the County to the Bondholders owed under the Bonds and this Agreement.

(c) To the fullest extent permitted by applicable law, the County shall not assert, and hereby waives, and acknowledges that no other Person shall have, any claim against any Person indemnified under Section 8.04(b), 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 Bondholder 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 Bondholder 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 Bondholder as determined by a final and non-appealable judgment of a court of competent jurisdiction.

(d) All amounts due under this Section shall be payable not later than thirty (30) Business Days after demand therefor.

(e) The agreements in this Section 8.04 shall survive the payment in full of the Bonds, the repayment, satisfaction or discharge of all the other Bond Obligations and the termination of this Agreement.

Section 8.05 Payments Set Aside. To the extent that any payment by or on behalf of the County is made to the Purchaser, 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 the Bankruptcy Code 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.

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 in 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.

(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 Securities Act of 1933, as amended (the “1933 Act”), or “accredited investors” as defined in Rule 501 of Regulation D

under the 1933 Act (each, a “*Purchaser Transferee*”). From and after the date of such sale or transfer, State Street Public Lending 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 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.* 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 (i) 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, or (ii) a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any such case, having a combined capital and surplus, determined as of the date of any transfer pursuant to this clause (c), of not less than \$5,000,000,000 (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 Investor Letter.

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.* Each Bondholder shall have the right to grant participations in all or a portion of such Bondholder’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. The County agrees that each participant shall be entitled to the benefits of Sections 3.01, 3.02,

3.03 and 8.04 hereof to the same extent as if it were a Bondholder hereunder; *provided, however*, that a participant shall not be entitled to receive any greater payment under Sections 3.01, 3.02 and 3.03 than such Bondholder would have been entitled to receive with respect to the participation sold to such participant, unless the sale of the participation to such participant is made with the County's prior written consent.

(e) *Certain Pledges.* In addition to the rights of the Purchaser set forth above, the Purchaser may at any time pledge or grant a security interest in all or any portion of its rights or interests under the Bonds, this Agreement and/or the Related Documents to secure obligations of the Purchaser or an Affiliate of the Purchaser, including any pledge or assignment to secure obligations to a Federal Reserve Bank or to any state or local governmental entity or with respect to public deposits; *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.

(f) *Limit on Restrictions.* Notwithstanding anything set forth in this Section 8.06 to the contrary, upon the occurrence and during the continuance of Event of Default, a Bondholder may, without the consent of the County, sell, assign or transfer this Agreement, the Bonds and the other Related Documents to any Non-Purchaser Transferee in accordance with Section 8.06(c) hereof.

Section 8.07 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 fax transmission or e-mail transmission (e.g., "*pdf*" or "*tif*") shall be effective as delivery of a manually executed counterpart of this Agreement. Without limiting the foregoing, to the extent a manually executed counterpart is not specifically required to be delivered under the terms of any Related Document, upon the request of any party, such fax transmission or e-mail transmission shall be promptly followed by such manually executed counterpart.

Section 8.08 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 Potential Default at the time of the purchase of the Bonds, and shall continue in full force and effect as long as any Bond Obligation hereunder shall remain unpaid or unsatisfied.

Section 8.09 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 8.10 Governing Law; Jurisdiction; Etc. (a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK; *PROVIDED* THAT THE DUTIES AND OBLIGATIONS OF THE COUNTY UNDER THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE, WITHOUT GIVING EFFECT TO CONFLICT OF LAW PRINCIPLES.

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

(c) *Service of Process.* EACH PARTY TO THIS AGREEMENT IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 8.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY TO THIS AGREEMENT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

Section 8.11 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 8.12 Acknowledgment and Appointment of Calculation Agent. The Purchaser hereby acknowledges and accepts its appointment as Calculation Agent during the Direct Purchase Rate Period pursuant to the Ordinance and acknowledges, accepts and agrees to all the duties and obligations of the Calculation Agent set forth in the Ordinance.

Section 8.13 No Advisory or Fiduciary Role. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Related Document), the County acknowledges and agrees, that: (a) (i) the services regarding this Agreement provided by the Purchaser and any Affiliate thereof are arm's-length commercial transactions between the County, on the one hand, and the Purchaser and its Affiliates, on the other hand, (ii) the County has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the County is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Related Documents; (b) (i) the Purchaser and its Affiliates each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary, for the County or any other Person and (ii) neither the Purchaser nor any of its Affiliates has any obligation to the County with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Related Documents or imposed by Law, if any; and (c) the Purchaser and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the County, and neither the Purchaser nor any of its Affiliates has any obligation to disclose any of such interests to the County. To the fullest extent permitted by law, the County hereby waives and releases any claims that it may have against the Purchaser or any of its Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby.

Section 8.14 Electronic Execution of Certain Documents. The words "execute," "execution," "signed," "signature," and words of like import in any Related Document (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 8.15 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, the Purchaser 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 Patriot 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 8.16 Time of the Essence. Time is of the essence of the Related Documents.

Section 8.17 Entire Agreement. **THIS AGREEMENT AND THE OTHER RELATED DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.**

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, (a) correct any defect, error or omission which may be discovered in the form or content of any of the Related Documents, and (b) make, execute, deliver and record, or cause to be made, executed, delivered and recorded, any and all further instruments, certificates, and other documents as may, in the opinion of the Purchaser, be necessary or desirable in order to complete (and, to the extent permitted by law, perfect) or continue and preserve the Lien of the Ordinance. 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.

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.

[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.

STATE STREET PUBLIC LENDING CORPORATION

By: _____
Name:
Title:

KING COUNTY, WASHINGTON

By: _____
Name:
Title

EXHIBIT A

FORM OF COMPLIANCE CERTIFICATE

**KING COUNTY, WASHINGTON
Covenant Compliance**

Date _____, _____

This Certificate is delivered pursuant to that certain Continuing Covenant Agreement dated November __, 2016 (the "*Agreement*"), between King County, Washington (the "*County*") and State Street Public Lending Corporation. Unless otherwise defined herein, the terms used in this Certificate shall have the meanings assigned thereto in the Agreement.

The undersigned is an authorized officer of the County, and hereby certifies that:

1. I am the duly appointed _____ of the County;
2. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the County during the accounting period covered by the attached financial statements;
3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or the occurrence of any event which constitutes a Potential Default or an Event of Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate, except as set forth below;
4. The representations and warranties of the County contained in the Agreement are true, complete and correct as of the date of this certificate, as if made on the date of this certificate;
5. The County is in compliance with the terms and provisions of the Ordinance; and
6. The Attachment hereto sets forth financial data and computations evidencing the County's current compliance with the covenants set forth in Section 15 of Ordinance 18141, all of which data and computations are, to the best of my knowledge, true, complete and correct and have been made in accordance with the relevant Sections and definitions of the Ordinance.

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the County has taken, is taking, or proposes to take with respect to each such condition or event:

The foregoing certification and the financial statements delivered with this Certificate in support hereof, are made and delivered this _____ day of _____, 20____.

KING COUNTY, WASHINGTON

By: _____

Its: _____

ATTACHMENT TO COMPLIANCE CERTIFICATE

DATED AS OF _____, 20__

EXHIBIT B
FORM OF INVESTOR LETTER

November ___, 2016

King County, Washington
Department of Finance
500 Fourth Avenue ADM-FI-0611
Seattle, Washington 98104
Attention: Nigel H. Lewis
Telephone No.: (206) 263-2857
Facsimile No.: (206) 296-7345

Re: \$100,000,000 King County, Washington Junior Lien Variable Rate Demand Sewer Revenue Bonds, Series 2015A and 2015B

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 18141 passed on October 26, 2015 (as the same may be amended, modified or restated, the "*Ordinance*"). State Street Public Lending Corporation (the "*Purchaser*," the "*undersigned*," "*us*" or "*we*," as applicable) is purchasing the Bonds pursuant to a Continuing Covenant Agreement, dated as of November ___, 2016, between the Purchaser and the County. We hereby represent and warrant to you and agree with you as follows:

1. We understand that the Bonds have not been registered pursuant to the Securities Act of 1933, as amended (the "*1933 Act*"), the securities laws of any state nor has the Ordinance been qualified pursuant to the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions set forth therein. We acknowledge that the Bonds (i) are not being registered or otherwise qualified for sale under the "blue sky" laws and regulations of any state, (ii) will not be listed on any securities exchange, and (iii) will not carry a rating from any rating service.
2. We have 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 we are not an underwriter of the Bonds within the meaning of Section 2(11) of the 1933 Act.
3. We have 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. We have authority to purchase the Bonds and 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.

5. The undersigned is a duly appointed, qualified and acting representative of the Purchaser and is authorized to cause the Purchaser to make the certifications, representations and warranties contained herein by execution of this letter on behalf of the Purchaser.

6. The Purchaser is a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act.

7. The undersigned understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to the Bonds. The undersigned 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 undersigned 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.

9. 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 redistribute the Bonds, but agrees that any such sale, transfer or distribution by the Purchaser shall be to a Person:

(a) that is an affiliate 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 or accredited investors; or

(c) that the Purchaser reasonably believes to be a qualified institutional buyer or an accredited investor, or a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any case, having a combined capital and surplus of not less than \$5,000,000,000 as of the date of such sale, transfer or distribution, and which in any case, executes an investor letter substantially in the form of this letter.

Very truly yours,

**STATE STREET PUBLIC LENDING
CORPORATION**

By _____
Name: _____
Title: _____

SCHEDULE I

ADDRESSES

If to the Purchaser:
(regarding credit matters):

State Street Public Lending Corporation
c/o State Street Bank and Trust Company
State Street Financial Center SFC/5
One Lincoln Street
Boston, Massachusetts 02111-2900
Attention: Mimi K. Li, CFA, Vice President
Telephone: (617) 664-3196
Telecopier: (617) 946-0188
Email: mkli@statestreet.com

(regarding operational matters):

State Street Public Lending Corporation
c/o State Street Bank and Trust Company
State Street Financial Center SFC/5
One Lincoln Street
Boston, Massachusetts 02111-2900
Attention: Thomas Marra
Telephone: (617) 664-5862
Telecopier: (617) 350-4020
Email: MuniFinanceAdministration@
statestreet.com

If to the County:

King County, Washington
Department of Finance
500 Fourth Avenue ADM-FI-0611
Seattle, Washington 98104
Attention: Nigel H. Lewis
Telephone No.: (206) 263-2857
Facsimile No.: (206) 296-7345

If to the Registrar, to:

U.S. Bank National Association
[to come]

EXHIBIT C

FORM OF DISCLOSURE OF COUNTY CREDIT FACILITIES