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W&S Draft
10/12/09

ATTACHMENT D

FORM OF LIQUIDITY FACILITY

STANDBY BOND PURCHASE AGREEMENT

among

KING COUNTY, WASHINGTON,

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

and

STATE STREET BANK AND TRUST COMPANY, as Bank

dated as of December 1, 2009

relating to:

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

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LIST OF EXHIBITS:

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

STANDBY BOND PURCHASE AGREEMENT

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

WITNESSETH:

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

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

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

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

ARTICLE I DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"State" means the State of Washington.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II

THE COMMITMENT; FEES

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

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

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

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

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

Section 2.03 Reduction of Commitment.

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

