



## Legislation Details (With Text)

**File #:** 2017-0383      **Version:** 1

**Type:** Motion      **Status:** Passed

**File created:** 9/25/2017      **In control:** Budget and Fiscal Management Committee

**On agenda:**      **Final action:** 10/16/2017

**Enactment date:**      **Enactment #:** 14977

**Title:** A MOTION ratifying the issuance and sale of the county's Multi-Modal Limited Tax General Obligation Refunding Bonds (Payable from Sewer Revenue), Series 2017A and Series 2017B, in the aggregate principal amount of \$100,000,000, authorizing the execution and delivery of a continuing covenant agreement in connection therewith and establishing certain terms of those bonds, all in accordance with Ordinance \_\_\_\_.

**Sponsors:** Dave Upthegrove

**Indexes:** Agreement, Bonds

**Code sections:**

**Attachments:** 1. Motion 14977.pdf, 2. Legislative Review Form.pdf, 3. 2017-0383 Transmittal Letter.doc, 4. A. Continuing Covenant Agreement, 5. B. Form of Bond, 6. 2017-0382 & 0383 Variable Rate Borrowing \_SR\_.docx

Date	Ver.	Action By	Action	Result
10/16/2017	1	Metropolitan King County Council	Passed	Pass
10/11/2017	1	Budget and Fiscal Management Committee	Recommended Do Pass Consent	Pass
9/25/2017	1	Metropolitan King County Council	Introduced and Referred	

Clerk 09/07/2017

A MOTION ratifying the issuance and sale of the county's Multi-Modal Limited Tax General Obligation Refunding Bonds (Payable from Sewer Revenue), Series 2017A and Series 2017B, in the aggregate principal amount of \$100,000,000, authorizing the execution and delivery of a continuing covenant agreement in connection therewith and establishing certain terms of those bonds, all in accordance with Ordinance \_\_\_\_.

WHEREAS, pursuant to Ordinance \_\_\_\_, adopted by the council on \_\_\_\_, 2017 ("the Bond Ordinance"), the council authorized the issuance of its multi-modal limited tax general obligation refunding bonds (payable from sewer revenue), in the aggregate principal amount of \$100,000,000 ("the

Bonds"), to refund the Multi-Modal Limited Tax General Obligation Bonds (Payable from Sewer Revenue), Series 2010A and Series 2010B ("the Refunded Bonds"), of the county, and

WHEREAS, the Bond Ordinance authorizes the sale of the Bonds in one or more series, as Tax-Exempt Bonds or otherwise, and by negotiated sale or competitive bid, as determined by the director of the finance and business operations division of the department of executive services of the county ("the Finance Director"), in consultation with the financial advisor of the county, and

WHEREAS, the Finance Director has determined that \$100,000,000 principal amount of Bonds be sold by negotiated sale in two series, to be designated as the county's Multi-Modal Limited Tax General Obligation Refunding Bonds (Payable from Sewer Revenue), Series 2017A, and Multi-Modal Limited Tax General Obligation Refunding Bonds (Payable from Sewer Revenue), Series 2017B, each structured as Tax-Exempt Bonds, and

WHEREAS, the Finance Director has determined that the Bonds be sold to State Street Public Lending Corporation pursuant to a continuing covenant agreement substantially in the form attached as Attachment A to this motion, and

WHEREAS, in accordance with the Bond Ordinance, the council wishes to provide for certain terms of the Bonds, as set forth herein;

NOW, THEREFORE, BE IT MOVED by the Council of King County:

A. **Definitions.** Capitalized words that are used in this motion but not defined in this motion have the meanings set forth in the Bond Ordinance for all purposes of this motion, unless some other meaning is plainly intended. The words and terms defined in the preamble to this motion, as used in this motion, have the meanings assigned such terms in the preamble to this motion, for all purposes of this motion, unless some other meaning is plainly intended. The following words and terms as used in this motion have the following meanings for all purposes of this motion, unless some other meaning is plainly intended.

"Alternate Index" means, on any Computation Date, the interest rate specified as such in the Alternate

Index Rate Certificate.

"Alternate Index Rate" means an interest rate determined on each Computation Date equal to the sum of (1) the product of the Alternate Index multiplied by the Applicable Factor plus; (2) the Applicable Spread.

"Alternate Index Rate Certificate" means a certificate of the Finance Director, executed not less than five days prior to the first day of each Alternate Index Rate Period, that includes the information specified by Section C.9. of this motion to be included therein.

"Alternate Index Rate Conversion Date" means (1) the date (other than the Closing Date) on which interest on a series of the Bonds begins to accrue at the Alternate Index Rate; or (2) the date on which the then-current Alternate Index Rate Period is converted to a new Alternate Index Rate Period.

"Alternate Index Rate Period" means each period from and including an Alternate Index Rate Conversion Date to but excluding the earlier of (1) the succeeding Purchase Date; and (2) the Maturity Date.

"Alternate Index Reset Date" means the date specified as such in the Alternate Index Rate Certificate.

"Applicable Factor" means, during each LIBOR Index Rate Period or Alternate Index Rate Period, the percentage designated in writing by the county as the Applicable Factor for the LIBOR Index Rate Period or Alternate Index Rate Period, as applicable.

"Applicable Spread" means, during each Index Floating Rate Period, the number of basis points determined by the Remarketing Agent on or prior to the first day of the Index Floating Rate Period (or by the Initial Purchaser on or prior to the Closing Date) that when added to (1) the SIFMA Index, (2) the product of the LIBOR Index multiplied by the Applicable Factor or (3) the product of the Alternate Index multiplied by the Applicable Factor, as applicable, would equal the minimum interest rate per annum that would enable the Index Floating Rate Bonds to be sold on that date at a price equal to the principal amount thereof (without regard to accrued interest, if any, thereon).

"Authorized Denomination" means (1) for each Daily Rate Bond and Weekly Rate Bond, \$100,000 or any integral multiple of \$5,000 in excess of \$100,000; (2) for each Index Floating Rate Bond, Long-Term Rate

Bond and Fixed Rate Bond, \$5,000 or any integral multiple of \$5,000; (3) for each Direct Purchase Rate Bond, the denomination specified in the Direct Purchase Agreement; and (4) for each Short-Term Rate Bond, \$100,000 or any integral multiple of \$1,000 in excess of \$100,000.

"Bank Bond" means a Bond that is required to be purchased by the Tender Agent with amounts requested by the Tender Agent and paid or provided by the Liquidity Provider under the Liquidity Facility relating to the Bond, unless and until the Bond ceases to be a Bank Bond.

"Bank Rate" means the interest rate borne by a Bank Bond, as specified or determined in accordance with the Liquidity Facility and any Liquidity Facility Agreement relating to the Bank Bond.

"Bond Counsel" means a firm of lawyers nationally recognized as bond counsel and retained by the county.

"Business Day" means each day other than a day (1) on which banks in Seattle, Washington, or New York, New York are closed; (2) on which the Registrar is closed; (3) on which the office of the Credit Provider, if any, or the Liquidity Provider, if any, where draws for the Bonds are to be presented, is closed; (4) on which the New York Stock Exchange is closed; or (5) with, respect to a Direct Purchase Rate Bond, not specified as such in the Direct Purchase Agreement.

"Calculation Agent" for one or more series of the Bonds means the Registrar or such other calculation agent appointed by the Finance Director.

"Closing Date" means, for a series of the Bonds, the date of delivery of the Bonds to the Initial Purchaser.

"Computation Date" means (1) during each LIBOR Index Rate Period, the second London banking day preceding (A) the LIBOR Index Rate Conversion Date; and (B) each LIBOR Index Reset Date thereafter; (2) during each SIFMA Index Rate Period, each Wednesday, or if any Wednesday is not a Business Day, the succeeding Business Day; and (3) during each Alternate Index Rate Period, each date specified as such in the Alternate Index Rate Certificate.

"Conversion" means a conversion of a series of the Bonds from one Interest Rate Mode to another Interest Rate Mode, including a conversion of the then-current Index Floating Rate Period to a new Index Floating Rate Period and a conversion of the then-current Direct Purchase Rate Period to a new Direct Purchase Rate Period, but not an extension of an existing Direct Purchase Rate Period.

"Conversion Date" means, for a series of Bonds, a Daily Rate Conversion Date, a Weekly Rate Conversion Date, a LIBOR Index Rate Conversion Date, a SIFMA Index Rate Conversion Date, an Alternate Index Rate Conversion Date, a Direct Purchase Rate Conversion Date, a Short-Term Rate Conversion Date, a Long-Term Rate Conversion Date or the Fixed Rate Conversion Date.

"County Elective Purchase Date" has the meaning given in Section F.4.e. of this motion.

"Credit Facility Agreement" means, with respect to a Credit Enhancement then in effect, the separate agreement, if any, under and pursuant to which the Credit Enhancement is issued.

"Credit Facility Date" means the date on which a Credit Enhancement is accepted by the Registrar and becomes effective, but does not include the date of any renewal or extension of the expiration date of a Credit Enhancement then in effect.

"Credit Provider Failure" means the dissolution, cessation of operations, bankruptcy or seizure of operations by a regulatory agency of a Credit Provider or the failure of a Credit Provider to honor a conforming draw on a Credit Enhancement.

"Daily Interest Period" means each period during which a particular Daily Rate is in effect.

"Daily Rate" means an interest rate determined on each Business Day as provided in Section C.5. of this motion.

"Daily Rate Bond" means a Bond that bears interest at a Daily Rate.

"Daily Rate Conversion Date" means the date (other than the Closing Date) on which interest on a series of the Bonds begins to accrue at a Daily Rate.

"Daily Rate Period" means each period during which a series of the Bonds are Daily Rate Bonds.

"Delayed Remarketing Period" means, for a series of Index Floating Rate Bonds, the period beginning on a Purchase Date on which the Purchase Price for all of the Index Floating Rate Bonds is not available or any of the other conditions to Conversion were not satisfied and ending on the earlier of (1) the Business Day that is one Business Day after the Business Day the Remarketing Agent provides notice to the county and the Registrar that all of the Index Floating Rate Bonds can be remarketed; and (2) the Conversion Date on which the county converts the Index Floating Rate Bonds to another Interest Rate Mode.

"Delayed Remarketing Rate" means an interest rate equal to nine percent (9%) per annum.

"Direct Purchase Agreement" means, initially, the continuing covenant agreement substantially in the form attached as Attachment A to this motion, and after any subsequent Direct Purchase Rate Conversion Date, with respect to each Direct Purchase Rate Bond, the agreement with the Direct Purchaser of the Direct Purchase Rate Bond that provides for the terms and conditions upon which the Direct Purchaser purchases the Direct Purchase Rate Bond.

"Direct Purchase Interest Period" means each period, if any, specified in the Direct Purchase Agreement during which a particular Direct Purchase Rate is in effect.

"Direct Purchase Rate" means an interest rate designated as such and determined in accordance with the Direct Purchase Agreement.

"Direct Purchase Rate Bond" means a Bond that bears interest at a Direct Purchase Rate.

"Direct Purchase Rate Conversion Date" means the date (other than the Closing Date) on which interest on a series of the Bonds begins to accrue at a Direct Purchase Rate.

"Direct Purchase Rate Period" means each period specified as such in the Direct Purchase Agreement during which a series of the Bonds are Direct Purchase Rate Bonds.

"Direct Purchaser" means, initially, State Street Public Lending Corporation, and after any subsequent Direct Purchase Rate Conversion Date, each direct purchaser of one or more series of the Bonds that, on the date of purchase, expresses an intent to hold those Bonds for investment purposes and not for resale.

"Expiration Date" means the earlier of the Stated Expiration Date or any date on which a Credit Enhancement or Liquidity Facility expires in accordance with its terms, other than any date that is also a Conversion Date or a Termination Date.

"Federal Funds Rate" means, for any day, the interest rate equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on that day, as published by the Federal Reserve Bank of New York on the Business Day succeeding that day; provided, that if that day is not a Business Day, then the Federal Funds Rate for that day shall be the rate on such transactions on the preceding Business Day, as so published on the Business Day succeeding that day.

"Fixed Interest Period" means each period during which a particular Fixed Rate is in effect with respect to a particular Fixed Rate Bond.

"Fixed Rate" means, for a particular Bond, the interest rate determined as provided in Section D.2. of this motion.

"Fixed Rate Bond" means a Bond that bears interest at a Fixed Rate.

"Fixed Rate Conversion Date" means the date on which interest on a series of the Bonds begins to accrue at a Fixed Rate.

"Index Floating Rate" means the LIBOR Index Rate, the SIFMA Index Rate or the Alternate Index Rate.

"Index Floating Rate Bond" means a Bond that bears interest at an Index Floating Rate.

"Index Floating Rate Conversion Date" means a LIBOR Index Rate Conversion Date, a SIFMA Index Rate Conversion Date or an Alternate Index Rate Conversion Date.

"Index Floating Rate Period" means a LIBOR Index Rate Period, a SIFMA Index Rate Period or an Alternate Index Rate Period.

"Initial Period" means, for a series of the Bonds, the period commencing on the Closing Date and ending on the earlier of (1) the succeeding Conversion Date; and (2) the Maturity Date.

"Initial Purchaser" means, for each Bond, the initial purchaser of the Bond.

"Interest Payment Date" means;

- A. for each Daily Rate Bond and Weekly Rate Bond, the first Business Day of each month and each Conversion Date, other than a Conversion Date between the Daily Interest Period and the Weekly Interest Period;
- B. for each Index Floating Rate Bond, the first Business Day of each month and each Conversion Date;
- C. for each Direct Purchase Rate Bond, each date specified as such in the Direct Purchase Agreement and each Conversion Date;
- D. for each Short-Term Rate Bond, the first Business Day after the last day of each Short-Term Interest Period and each Conversion Date;
- E. for each Long-Term Rate Bond, each Payment Date and each Conversion Date;
- F. for each Fixed Rate Bond, each Payment Date;
- G. for each Bond, the Maturity Date; and
- H. for each Bank Bond, each date specified as such in the Liquidity Facility or any Liquidity Facility Agreement.

"Interest Rate Mode" means, for each Bond, a period in which the Bond bears interest at a Daily Rate, Weekly Rate, Index Floating Rate, Direct Purchase Rate, Short-Term Rate, Long-Term Rate or Fixed Rate.

"LIBOR Index" means, on any Computation Date, the rate for deposits in U.S. dollars with a one-month maturity as published by Reuters on Reuters Screen LIBOR01 Page (or published by such other service selected by the county that has been approved or nominated by the ICE Benchmark Administration as an authorized vendor for the purpose of publishing London interbank offered rates for U.S. dollar deposits) as of 11:00 a.m., London time, on the Computation Date; provided, that if such rate is not available on the Computation Date and/or the county or the Calculation Agent is not able to determine such rate, "LIBOR



Index" means the LIBOR Index then in effect during the preceding LIBOR Index Rate Period; or, at the direction of a Finance Director (1) a replacement index based upon the arithmetic mean of the quotations, if any, of the interbank offered rate by first class banks in London or New York for deposits with a one-month maturity; or (2) the Calculation Agent's Federal Funds Rate. The Calculation Agent shall give prompt written notice to the county setting forth such change in interest rate, the nature of the circumstances giving rise to such change, and the method of calculating such change if based upon a replacement index. The Calculation Agent's internal records of applicable interest rates shall be determinative in the absence of manifest error.

"LIBOR Index Rate" means an interest rate determined on each Computation Date equal to the sum of (1) the product of the LIBOR Index multiplied by the Applicable Factor plus; (2) the Applicable Spread.

"LIBOR Index Rate Conversion Date" means (1) the date (other than the Closing Date) on which interest on a series of the Bonds begins to accrue at the LIBOR Index Rate; or (2) the date on which the then-current LIBOR Index Rate Period is converted to a new LIBOR Index Rate Period.

"LIBOR Index Rate Period" means each period from and including a LIBOR Index Rate Conversion Date to but excluding the earlier of (1) the succeeding Purchase Date; and (2) the Maturity Date.

"LIBOR Index Reset Date" means the first day of each month.

"Liquidity Facility Agreement" means, with respect to a Liquidity Facility then in effect, the separate agreement, if any, under and pursuant to which the Liquidity Facility is issued.

"Liquidity Facility Date" means the date on which a Liquidity Facility is accepted by the Tender Agent and becomes effective, and includes the date any amendment of the automatic termination events, suspension events or conditions to purchase becomes effective, but does not include the date of any renewal or extension of the expiration date of a Liquidity Facility then in effect.

"Liquidity Facility Request" has the meaning given in Section F.5. of this motion.

"Long-Term Interest Period" means each period during which a particular Long-Term Rate is in effect.

"Long-Term Rate" means an interest rate determined for a term of more than 270 days as provided in

Section C.12. of this motion.

"Long-Term Rate Bond" means a Bond that bears interest at a Long-Term Rate.

"Long-Term Rate Conversion Date" means (1) the date (other than the Closing Date) on which interest on a series of the Bonds begins to accrue at the Long-Term Rate; or (2) the date on which the then-current Long-Term Interest Period is converted to a new Long-Term Interest Period.

"Long-Term Rate Mandatory Purchase Date" means the first day after the last day of each Long-Term Interest Period.

"Long-Term Rate Period" means the period during which a series of the Bonds are Long-Term Rate Bonds.

"Maturity Date" means January 1, 2040.

"Maximum Rate" means an interest rate equal to the lower of (1) twelve percent (12%) per annum; or (2) the maximum interest rate, if any, permitted by law.

"Non-reinstatement Date" means, for a Liquidity Facility that secures one or more series of the Bonds, the date that is seven days (or if the seventh day is not a Business Day, the Business Day preceding the seventh day) after the date on which the Tender Agent receives written notice from the Liquidity Provider to the effect that an event of default under the Liquidity Facility or any related Liquidity Facility Agreement has occurred and, following a draw on the Liquidity Facility and in accordance with the terms of the Liquidity Facility or any related Liquidity Facility Agreement, the amount so drawn will not be reinstated.

"Optional Liquidity Payment" has the meaning given in Section I.2. of this motion.

"Par Call Date" means, for each Index Floating Rate Bond, each Conversion Date, each Purchase Date and each Business Day within the six calendar months preceding a Conversion Date.

"Payment Date" means, for each Long-Term Rate Bond and each Fixed Rate Bond, each date established by the council or the Finance Director on which a payment of principal or interest is due.

"Purchase Date" means each date on which a Bond is subject to optional tender for purchase pursuant to

Section F.3. of this motion or mandatory tender for purchase pursuant to Section F.4. of this motion.

"Purchase Price" means, for each Bond, an amount equal to the principal amount plus, if the Purchase Date is not an Interest Payment Date, accrued and unpaid interest to the Purchase Date.

"Rating Agency" means each nationally recognized securities rating agency that provides a rating on the applicable series of the Bonds or portion thereof at the request of the county, including Moody's Investors Service, or its successors and assigns, Standard & Poor's Ratings Services, or its successors and assigns, and Fitch Ratings or its successors and assigns.

"Record Date" means, with respect to each Interest Payment Date, (1) for each Daily Rate Bond, Weekly Rate Bond, Index Floating Rate Bond, Direct Purchase Rate Bond and Short-Term Rate Bond, the Business Day preceding the Interest Payment Date; and (2) for each Long-Term Rate Bond and Fixed Rate Bond, the 15th day of the month preceding the Interest Payment Date, regardless of whether the 15th day of the month is a Business Day.

"Remarketing Agent" for one or more series of the Bonds means the Initial Purchaser or such other remarketing agent appointed by the Finance Director.

"Remarketing Agreement" means a remarketing agreement entered into by the county and the Remarketing Agent for one or more series of the Bonds, as the agreement may from time to time be amended or supplemented in accordance with its terms and the terms of the Liquidity Facility, if any, and any related Liquidity Facility Agreement.

"Required Liquidity Payment" has the meaning given in Section I.1. of this motion.

"Required Stated Amount" means, for a series of Bonds, the outstanding principal amount of the Bonds plus (1) accrued interest on the Bonds (A) for Daily Rate Bonds or Weekly Rate Bonds, not less than 37 days at a rate equal to the lower of the Maximum Rate or the maximum rate then applicable to the Bonds; (B) for Long-Term Rate Bonds, not less than the longest period preceding an Interest Payment Date, plus five days, at the Long-Term Rate then in effect; or (C) for Short-Term Rate Bonds, not less than the length of the Short-Term

Interest Period then in effect plus five days at the Short Term Rate then in effect; and (B) any additional amount required by a Rating Agency.

"Short-Term Interest Period" means each period during which a particular Short-Term Rate is in effect with respect to a particular Short-Term Rate Bond.

"Short-Term Rate" means, for a particular Bond, the interest rate determined on a periodic basis as provided in Section C.11. of this motion.

"Short-Term Rate Bond" means a Bond that bears interest at a Short-Term Rate.

"Short-Term Rate Conversion Date" means the date (other than the Closing Date) on which interest on a series of the Bonds begins to accrue at one or more Short-Term Rates.

"Short-Term Rate Mandatory Purchase Date" means the first day after the last day of each Short-Term Interest Period.

"SIFMA" means the Securities Industry and Financial Markets Association.

"SIFMA Index" means, for any Computation Date, the level of the index that is (1) compiled from the weekly interest rate resets of tax-exempt variable rate issues reported to the Short-term Obligation Rate Transparency ("SHORT") system of the Municipal Securities Rulemaking Board that meet specific criteria established from time to time by SIFMA; and (2) issued on each Wednesday, or if any Wednesday is not a Business Day, the succeeding Business Day. If the SIFMA Index is no longer published, then "SIFMA Index" shall mean the S&P Municipal Bond 7 Day High Grade Rate Index. If the S&P Municipal Bond 7 Day High Grade Rate Index is no longer published, then "SIFMA Index" shall mean the prevailing rate determined by the Calculation Agent for tax-exempt state and local government bonds meeting criteria determined in good faith by the Calculation Agent to be comparable under the circumstances to the criteria used by SIFMA to determine the SIFMA Index immediately prior to the date on which SIFMA ceased publication of the SIFMA Index.

"SIFMA Index Rate" means an interest rate determined on each Computation Date equal to the sum of the SIFMA Index plus the Applicable Spread.

"SIFMA Index Rate Conversion Date" means (1) the date (other than the Closing Date) on which interest on a series of the Bonds begins to accrue at the SIFMA Index Rate; or (2) the date on which the then-current SIFMA Index Rate Period is converted to a new SIFMA Index Rate Period.

"SIFMA Index Rate Period" means each period from and including a SIFMA Index Rate Conversion Date to but excluding the earlier of (1) the succeeding Purchase Date; and (2) the Maturity Date.

"SIFMA Index Reset Date" means Thursday of each week.

"Stated Expiration Date" means the date on which a Credit Enhancement or a Liquidity Facility is scheduled to expire in accordance with its terms, as the date may be extended from time to time in accordance with the Credit Enhancement or any related Credit Facility Agreement or the Liquidity Facility or any related Liquidity Facility Agreement.

"Tender Agent" for one or more series of the Bonds means the Registrar or such other tender agent appointed by the Finance Director.

"Termination Date" means (1) for a Credit Enhancement that secures one or more series of the Bonds, the date that is seven days (or if the seventh day is not a Business Day, the Business Day preceding the seventh day) after the date on which the Registrar receives written notice from the Credit Provider that (A) an event of default under the Credit Enhancement or any related Credit Facility Agreement has occurred; and (B) directs the Registrar to effect a mandatory tender for purchase of the Bonds by reason of the event of default; and (2) for a Liquidity Facility that secures one or more series of the Bonds, the date that is seven days (or if the seventh day is not a Business Day, the Business Day preceding the seventh day) after the date on which the Tender Agent receives written notice from the Liquidity Provider that (A) an event of default under the Liquidity Facility or any related Liquidity Facility Agreement has occurred; and (B) directs the Tender Agent to effect a mandatory tender for purchase of the Bonds by reason of the event of default.

"Undelivered Bond" means a Bond that is subject to purchase on a Purchase Date and that is not tendered and delivered for purchase on the Purchase Date but as to which the Tender Agent holds in the

Purchase Fund sufficient funds to pay the Purchase Price of the Bond.

"Weekly Interest Period" means each period during which a particular Weekly Rate is in effect.

"Weekly Rate" means an interest rate determined on each Wednesday as provided in Section C.6. of this motion.

"Weekly Rate Bond" means a Bond that bears interest at a Weekly Rate.

"Weekly Rate Conversion Date" means the day (other than the Closing Date) on which interest on a series of the Bonds begins to accrue at a Weekly Rate.

"Weekly Rate Period" means each period during which a series of the Bonds are Weekly Rate Bonds.

B. **Initial Period.** The Initial Period for both series of the Bonds is a Direct Purchase Interest Period commencing [REDACTED], 2017, and ending on the last day of the Direct Purchase Rate Period specified in the initial Direct Purchase Agreement.

C. **Interest Rates.**

1. **Same Interest Rate Mode.** Each series of the Bonds shall at all times be in the same Interest Rate Mode. Each series of Daily Rate Bonds shall bear interest accruing at the same Daily Rate, each series of Weekly Rate Bonds shall bear interest accruing at the same Weekly Rate, each series of Index Floating Rate Bonds shall bear interest accruing at the same Index Floating Rate, each series of Direct Purchase Rate Bonds shall bear interest accruing at the same Direct Purchase Rate, and each series of Long-Term Rate Bonds shall bear interest accruing at the same Long-Term Rate.

2. **Maximum Rate.** Notwithstanding anything herein to the contrary, no interest rate borne by any Bond may exceed the Maximum Rate.

3. **Determination of Certain Interest Rates.** Each Daily Rate, Weekly Rate and Short-Term Rate shall be determined by the Remarketing Agent as the minimum interest rate per annum that, in the reasonable judgment of the Remarketing Agent, would enable the Bonds bearing the interest rate to be sold on the date of determination at a price equal to the principal amount thereof (without regard to accrued interest, if any,

thereon), except as otherwise provided in Section C.11. of this motion for Short-Term Rates. Interest accrued at the Daily Rate, Weekly Rate, SIFMA Index Rate and Short-Term Rate shall be calculated on the basis of the actual number of days elapsed in a 365- or 366-day year, as applicable. Interest accrued at the LIBOR Index Rate shall be calculated on the basis of the actual number of days elapsed in a 360-day year. Interest accrued at the Long-Term Rate and Fixed Rate shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest accrued at the Alternate Index Rate or Direct Purchase Rate shall be calculated as specified in the Alternate Index Rate Certificate or the Direct Purchase Agreement, as applicable. Each determination by the Remarketing Agent of the Daily Rate, Weekly Rate, Short-Term Rate, Long-Term Rate and Fixed Rate shall be conclusive and binding upon the county, the Registrar, the Tender Agent, the Remarketing Agent, the Beneficial Owners, the Registered Owners, the Liquidity Provider, if any, and the Credit Provider, if any. Each Direct Purchase Rate shall be determined as specified in the Direct Purchase Agreement.

4. **Failure to Determine Certain Interest Rates.** If the Remarketing Agent fails for any reason to determine the Daily Rate, Weekly Rate, Short-Term Rate or Long-Term Rate for any Daily Rate Period, Weekly Rate Period, Short-Term Interest Period or Long-Term Rate Period when required hereunder, or a court holds that the Daily Rate, Weekly Rate, Short-Term Rate or Long-Term Rate for any Daily Rate Period, Weekly Rate Period, Short-Term Interest Period or Long-Term Rate Period is invalid, illegal or unenforceable, then the interest rate to be borne by the Bonds for which the interest rate cannot be determined shall be the SIFMA Index, until the interest rate for the Bonds is again validly determined by the Remarketing Agent.

5. **Daily Rates.**

a. **Interest Period.** Daily Interest Periods commence on each Business Day and shall extend to, but not include, the succeeding Business Day.

b. **Effective Period.** The Daily Rate for each Daily Interest Period shall be effective from and including the commencement date of the Daily Interest Period and shall remain in effect to, but not

including, the succeeding Business Day.

c. **Determination Time.** Each Daily Rate shall be determined by the Remarketing Agent not later than 10:00 a.m., New York City time, on the commencement date of the Daily Interest Period. Notice of each Daily Rate shall be given by the Remarketing Agent by Electronic Notice to the Registrar, the Tender Agent, the county, the Liquidity Provider, if any, and the Credit Provider, if any, not later than 10:30 a.m., New York City time, on the date of determination. The Registrar shall inform each Registered Owner of Daily Rate Bonds of each Daily Rate determined by the Remarketing Agent upon request.

6. **Weekly Rates.**

a. **Interest Period.** Weekly Interest Periods commence on each Wednesday and end on the following Tuesday; provided, that (1) in the case of a Conversion to a Weekly Rate from another Interest Rate Mode, the initial Weekly Interest Period shall commence on the Weekly Rate Conversion Date and end on the succeeding Tuesday; and (2) in the case of a Conversion from a Weekly Rate to a Daily Rate, Index Floating Rate, Direct Purchase Rate, Short-Term Rate or Long-Term Rate, the last Weekly Interest Period prior to Conversion shall end on the last day preceding the Conversion Date.

b. **Effective Period.** The Weekly Rate for each Weekly Interest Period shall be effective from and including the commencement date of the Weekly Interest Period and shall remain in effect through and including the last day of the Weekly Interest Period.

c. **Determination Time.** Each Weekly Rate shall be determined by the Remarketing Agent not later than 10:00 a.m., New York City time, on the commencement date of the Weekly Interest Period. Notice of each Weekly Rate shall be given by the Remarketing Agent by Electronic Notice to the Registrar, the Tender Agent, the county, the Liquidity Provider, if any, and the Credit Provider, if any, not later than 10:30 a.m., New York City time, on the date of determination. The Registrar shall inform each Registered Owner of Weekly Rate Bonds of each Weekly Rate determined by the Remarketing Agent upon request.

7. **LIBOR Index Rates.** During each LIBOR Index Rate Period, each series of the Bonds shall



bear interest at the LIBOR Index Rate, commencing on and including the first day of the LIBOR Index Rate Period to but excluding the last day of the LIBOR Index Rate Period. Not less than five days prior to the first day of each LIBOR Index Rate Period, the county shall cause to be determined the Conversion Date on which the LIBOR Index Rate Period will end, the Applicable Factor and the Applicable Spread. The Calculation Agent shall determine the LIBOR Index Rate on each Computation Date during the LIBOR Index Rate Period. Each LIBOR Index Rate shall become effective on the LIBOR Index Reset Date succeeding the Computation Date. Interest at the LIBOR Index Rate shall accrue each day during each LIBOR Index Rate Period, commencing on and including the first day of the LIBOR Index Rate Period to but excluding the last day of the LIBOR Index Rate Period. The LIBOR Index Rate shall be rounded upward to the third decimal place. Promptly following the determination of the LIBOR Index Rate, notice of the LIBOR Index Rate shall be given by the Calculation Agent by Electronic Notice to the Registrar (if the Registrar is not the Calculation Agent) and to the county. If the LIBOR Index Rate is not determined by the Calculation Agent on the Computation Date, the interest rate to be borne by the Index Floating Rate Bonds shall be the rate determined on the preceding Computation Date until the Calculation Agent next determines the LIBOR Index Rate.

8. **SIFMA Index Rates.** During each SIFMA Index Rate Period, each series of the Bonds shall bear interest at the SIFMA Index Rate, commencing on and including the first day of the SIFMA Index Rate Period to but excluding the last day of the SIFMA Index Rate Period. Not less than five days prior to the first day of each SIFMA Index Rate Period, the county shall cause to be determined the Conversion Date on which the SIFMA Index Rate Period will end and the Applicable Spread. The Calculation Agent shall determine the SIFMA Index Rate on each Computation Date during the SIFMA Index Rate Period. The SIFMA Index Rate shall become effective on the SIFMA Index Reset Date succeeding the Computation Date (or on the Computation Date if the Computation Date is the SIFMA Index Reset Date). Interest at the SIFMA Index Rate shall accrue until the SIFMA Index Rate is recalculated on the succeeding Computation Date during the SIFMA Index Rate Period. The SIFMA Index Rate shall be rounded upward to the second decimal place. Promptly

following the determination of the SIFMA Index Rate, notice of the SIFMA Index Rate shall be given by the Calculation Agent by Electronic Notice to the Registrar (if the Registrar is not the Calculation Agent) and to the county. If the SIFMA Index Rate is not determined by the Calculation Agent on the Computation Date, the interest rate to be borne by the Index Floating Rate Bonds shall be the rate determined on the preceding Computation Date until the Calculation Agent next determines the SIFMA Index Rate.

9. **Alternate Index Rates.** During each Alternate Index Rate Period, each series of the Bonds shall bear interest at the Alternate Index Rate, commencing on and including the first day of the Alternate Index Rate Period to but excluding the last day of the Alternate Index Rate Period. Not less than five days prior to the first day of each Alternate Index Rate Period, the county shall cause the Alternate Index Rate Certificate to be executed, which shall include the Conversion Date on which the Alternate Index Rate Period will end, the Alternate Index, the Applicable Factor, the Applicable Spread, the Computation Date, the Alternate Index Reset Date, the day count convention for calculating the accrual of interest and the method of rounding the Alternate Index Rate. The Calculation Agent shall determine the Alternate Index Rate on each Computation Date during the Alternate Index Rate Period. Each Alternate Index Rate shall become effective on the Alternate Index Reset Date succeeding the Computation Date (or on the Computation Date if the Computation Date is the Alternate Index Reset Date). Interest at the Alternate Index Rate shall accrue each day during each Alternate Index Rate Period, commencing on and including the first day of the Alternate Index Rate Period to but excluding the last day of the Alternate Index Rate Period. Promptly following the determination of the Alternate Index Rate, notice of the Alternate Index Rate shall be given by the Calculation Agent by Electronic Notice to the Registrar (if the Registrar is not the Calculation Agent) and to the county. If the Alternate Index Rate is not determined by the Calculation Agent on the Computation Date, then except as otherwise provided in the Alternate Index Rate Certificate, the interest rate to be borne by the Index Floating Rate Bonds shall be the rate determined on the preceding Computation Date until the Calculation Agent next determines the Alternate Index Rate.

10. **Direct Purchase Rates.** During each Direct Purchase Rate Period, each series of the Bonds

shall bear interest at the Direct Purchase Rate, 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.

11. **Short-Term Rates.**

a. **Interest Period.** Each Short-Term Interest Period shall be determined by the Remarketing Agent not later than 4:00 p.m., New York City time, on the Business Day preceding the Short-Term Interest Period; provided, that each Short-Term Interest Period (1) shall be from 1 to 270 days in length, but (A) if a Liquidity Facility is in effect, shall not exceed the number of days of interest coverage provided by the Liquidity Facility minus five days and shall not extend beyond the date that is seven days before the Stated Expiration Date of the Liquidity Facility; and (B) shall not exceed the number of days remaining prior to a Conversion Date; (2) shall commence on a Business Day (except that in the case of a Conversion to a Short-Term Rate, the initial Short-Term Rate shall commence on the Conversion Date); and (c) shall end on a day preceding a Business Day or the day preceding the Maturity Date. The Remarketing Agent may, in the reasonable exercise of its judgment, determine one or more Short-Term Interest Periods that result in a Short-Term Rate on the Bonds that is higher than would be borne by the Bonds with a shorter Short-Term Interest Period to increase the likelihood of achieving the lowest net interest cost during the term of the Bonds. The determination of each Short-Term Interest Period by the Remarketing Agent shall be based upon the relative market yields of the Bonds and other securities that bear interest at a variable rate or at fixed rates that, in the reasonable exercise of the judgment of the Remarketing Agent, are otherwise comparable to the Bonds, or any fact or circumstance relating to the Bonds or affecting the market for the Bonds or affecting other comparable securities in a manner that, in the reasonable exercise of the judgment of the Remarketing Agent, will affect the market for the Bonds. The Remarketing Agent, in its discretion, may consider such information and resources as it deems appropriate in making the determinations described in this paragraph. The Bonds of each series of Short-Term Rate Bonds may bear interest for different Short-Term Interest Periods and at different Short-Term Rates; provided that all Bonds of each series of Short-Term Rate Bonds with the same Short-Term Interest

Period shall bear interest accruing at the same Short-Term Rate.

b. **Effective Period.** The Short-Term Rate for each Short-Term Interest Period shall be effective from and including the commencement date of the Short-Term Interest Period and shall remain in effect through and including the last day of the Short-Term Interest Period.

c. **Determination Time.** Each Short-Term Rate shall be determined by the Remarketing Agent not later than 4:00 p.m., New York City time, on the Business Day preceding the commencement date of the Short-Term Interest Period. Notice of each Short-Term Rate shall be given by the Remarketing Agent by Electronic Notice to the Registrar, the Tender Agent, the county, the Liquidity Provider, if any, and the Credit Provider, if any, not later than 5:00 p.m., New York City time, on the date of determination. The Registrar shall inform each Registered Owner of Short-Term Rate Bonds of each Short-Term Rate determined by the Remarketing Agent upon request.

12. **Long-Term Rates.**

a. **Interest Period.** Each Long-Term Interest Period shall commence on the Closing Date or a Long-Term Rate Conversion Date and end on a day that is more than 270 days after the Closing Date or the Long-Term Rate Conversion Date and which is the day preceding a Conversion Date or the Maturity Date; provided, that if a Credit Enhancement or Liquidity Facility is in effect, no Long-Term Interest Period shall extend beyond the date that is seven days before the Stated Expiration Date of the Credit Enhancement or Liquidity Facility. The term of each Long-Term Interest Period shall be specified in writing by the county to the Remarketing Agent, the Registrar, the Tender Agent, the Credit Provider, if any, and the Liquidity Provider, if any, not less than five days prior to its commencement.

b. **Effective Period.** The Long-Term Rate for each Long-Term Interest Period shall be effective from and including the commencement date of the Long-Term Interest Period and shall remain in effect through and including the last day of the Long-Term Interest Period.

c. **Determination Time.** Each Long-Term Rate shall be determined by the Remarketing

Agent not later than 4:00 p.m., New York City time, on the Business Day preceding the commencement date of the Long-Term Interest Period. Notice of each Long-Term Rate shall be given by the Remarketing Agent by Electronic Notice to the Registrar, the Tender Agent, the county, the Liquidity Provider, if any, and the Credit Provider, if any, not later than 5:00 p.m., New York City time, on the date of determination. The Registrar shall inform each Registered Owner of Long-Term Rate Bonds of each Long-Term Rate determined by the Remarketing Agent upon request.

d. **Remarketing.** The Long-Term Rate for each Long-Term Interest Period shall be determined by the Remarketing Agent as the minimum interest rate per annum that, in the reasonable judgment of the Remarketing Agent, would enable the Bonds bearing the interest rate to be sold on the date of determination at a price equal to the principal amount thereof (without regard to accrued interest, if any, thereon). Notwithstanding the foregoing, the Long-Term Rate for a Long-Term Interest Period may be the interest rate per annum that, in the reasonable judgment of the Remarketing Agent, would enable the Bonds bearing the interest rate to be sold on the date of determination at a price that will result in the lowest net interest cost, after taking into account any premium or discount at which the Bonds are sold by the Remarketing Agent, provided that in connection with any sale at a premium or discount:

(1) The county consents in writing to the sale of the Bonds by the Remarketing Agent at the premium or discount;

(2) In the case of Bonds to be sold at a discount, the county agrees to transfer to the Tender Agent on the commencement date of the Long-Term Interest Period, in immediately available funds, for deposit in the County Purchase Account, an amount equal to the discount;

(3) In the case of Bonds to be sold at a premium, the Remarketing Agent transfers to the Registrar for deposit in the Multi-Modal LTGO/Sewer Revenue Bond Fund an amount equal to any premium remaining after payment of costs of the remarketing;

(4) On or prior to the date of determination of the Long-Term Rate, the county causes

to be delivered to the Registrar and the Remarketing Agent notice that Bond Counsel expects to be able to give, on or prior to the commencement date of the Long-Term Interest Period, an opinion to the effect that the Conversion will not, in and of itself, cause the interest on the Bonds to be includable in gross income for federal income tax purposes; and

(5) On or prior to the commencement date of the Long-Term Interest Period, the county causes to be delivered to the Registrar and the Remarketing Agent an opinion of Bond Counsel to the effect that the Conversion will not, in and of itself, cause the interest on the Bonds to be includable in gross income for federal income tax purposes.

13. **Bank Bonds.** Notwithstanding anything herein to the contrary, (a) each Bank Bond shall bear interest at the Bank Rate in accordance with the Liquidity Facility or the Liquidity Facility Agreement (as calculated by the Liquidity Provider in accordance with the Liquidity Facility or the Liquidity Facility Agreement and advised by the Liquidity Provider to the Registrar) for each day from and including the day the Bank Bond becomes a Bank Bond to and excluding the day the Bank Bond ceases to be a Bank Bond or is paid in full or is surrendered to the Registrar for cancellation; (b) interest on each Bank Bond shall be calculated on the basis of a 365-day year or a 360-day year in accordance with the Liquidity Facility or the Liquidity Facility Agreement and the actual number of days elapsed; and (c) interest on each Bank Bond shall be payable on the dates and in the manner specified in the Liquidity Facility or the Liquidity Facility Agreement. A Bank Bond shall cease to be a Bank Bond only (1) if the Bank Bond is remarketed and transferred or otherwise released by the Tender Agent upon authorization of the Liquidity Provider; or (2) if the Bank Bond otherwise ceases to be a Bank Bond in accordance with the terms of the Liquidity Facility or the Liquidity Facility Agreement and the county, the Remarketing Agent, the Tender Agent and the Registrar have received written notice to that effect from the Liquidity Provider.

D. **Conversions.**

1. **Conversions to Interest Rate Modes other than the Fixed Rate.** At the option of the county,

the interest rate to be borne by all (but not less than all) of a series of the Bonds (other than Fixed Rate Bonds) may be converted to a Daily Rate, Weekly Rate, Index Floating Rate, Direct Purchase Rate, Short-Term Rate or Long-Term Rate, as follows:

a.     **Conversion Date.** The Conversion Date shall be (1) for Daily Rate Bonds, Weekly Rate Bonds, Short-Term Rate Bonds and Long-Term Rate Bonds, an Interest Payment Date; (2) for Index Floating Rate Bonds, a Par Call Date; (3) for Direct Purchase Rate Bonds, a County Elective Purchase Date; and (4) for Long-Term Rate Bonds, a Long-Term Rate Mandatory Purchase Date or a date on which the Long-Term Rate Bonds are subject to redemption at the option of the county. Interest shall accrue on Bonds at the new interest rate commencing on the Conversion Date, whether or not a Business Day. Any action required to be taken on the Conversion Date, if the day is not a Business Day, may be taken on the succeeding Business Day as if it had occurred on the Conversion Date.

b.     **Notice of Intent to Convert.** The county shall give Electronic Notice of its intent to effect each Conversion to the Remarketing Agent, the Tender Agent, the Registrar, the Liquidity Provider, if any, and the Credit Provider, if any, not less than five days (or such shorter period as shall be acceptable to the applicable parties) prior to the date on which the Registrar is required to provide notice to the Registered Owners.

c.     **Notice of Conversion.** The Registrar shall give Electronic Notice, confirmed by first class mail, of each Conversion of Bonds to each Registered Owner not less than 15 days prior to the proposed Conversion Date at their addresses as they appear on the Bond Register as of the date notice of the intent to effect Conversion is received by the Registrar from the county. The notice shall include the information required for a mandatory tender for purchase specified in Section E.4. of this motion.

d.     **Conditions to Conversion.**

(1)     Notwithstanding delivery by the county of notice of its intent to effect a Conversion, the Conversion shall not take effect if:

(A) the county withdraws the notice not later than the Business Day preceding the date on which the interest rate for the new Interest Rate Mode is to be determined;

(B) the Calculation Agent or the Remarketing Agent, as applicable, fails to determine, when required, the interest rate for the new Interest Rate Mode;

(C) the notice of Conversion required to be given to Registered Owners is not given when required;

(D) the county fails to deliver to the Registrar, the Remarketing Agent, the Credit Provider, if any, and the Liquidity Provider, if any, on or before the Conversion Date, an opinion of Bond Counsel to the effect that the Conversion is authorized hereby and will not, in and of itself, cause the interest on the Bonds to be includable in gross income for federal income tax purposes;

(E) sufficient funds are not available by 12:00 p.m., New York City time, on the Conversion Date to purchase all of the Bonds required to be purchased on the Conversion Date; or

(F) not all of the Bonds required to be marketed on the Conversion Date are remarketed in the new Interest Rate Mode.

(2) In any of such events,

(A) the Conversion Date shall not occur, whether or not notice of the Conversion has been given to the Registered Owners;

(B) the Bonds:

i. that are Daily Rate Bonds shall continue to bear interest at a Daily Rate;

ii. that are Weekly Rate Bonds shall continue to bear interest at a Weekly Rate;

iii. that are Index Floating Rate Bonds shall bear interest at the Delayed Remarketing Rate;



iv. that are Direct Purchase Rate Bonds shall bear interest as specified in the Direct Purchase Agreement;

v. that are Short-Term Rate Bonds shall continue to bear interest at a Short-Term Rate until the Bonds have been remarketed; and

vi. that are Long-Term Rate Bonds shall continue to bear interest at a Long-Term Rate until the Bonds have been remarketed; and

(C) the mandatory tender for purchase of the Bonds on the Conversion Date shall not occur, whether or not notice of the Conversion has been given to the Registered Owners.

e. **Withdrawal of Notice of Conversion.** Notice of withdrawal of a notice of Conversion shall be given by the county to the Registrar, the Remarketing Agent, the Tender Agent, the Calculation Agent, if any, the Credit Provider, if any, and Liquidity Provider, if any, by telephone, promptly confirmed in writing, and shall thereafter be promptly given to the Registered Owners by the Registrar by Electronic Notice, confirmed by first class mail.

2. **Conversions to the Fixed Rate.** At the option of the county, the interest rate to be borne by all (but not less than all) of a series of the Bonds (other than Fixed Rate Bonds) may be converted to a Fixed Rate, as follows:

a. **Fixed Rate Conversion Date.** The Fixed Rate Conversion Date shall be (1) for Daily Rate Bonds, Weekly Rate Bonds, Short-Term Rate Bonds and Long-Term Rate Bonds, an Interest Payment Date; (2) for Index Floating Rate Bonds, a Par Call Date; (3) for Direct Purchase Rate Bonds, a County Elective Purchase Date; and (4) for Long-Term Rate Bonds, a Long-Term Rate Mandatory Purchase Date or a date on which the Long-Term Rate Bonds are subject to redemption at the option of the county. Interest shall accrue on Fixed Rate Bonds on the Fixed Rate Conversion Date, whether or not a Business Day. Any action required to be taken on the Fixed Rate Conversion Date, if the day is not a Business Day, may be taken on the succeeding Business Day as if it had occurred on the Fixed Rate Conversion Date.

b. **Notice of Intent to Convert.** The county shall give Electronic Notice of its intent to effect a Conversion to the Fixed Rate to the Remarketing Agent, the Tender Agent, the Registrar, the Liquidity Provider, if any, and the Credit Provider, if any, not less than five days (or such shorter period as shall be acceptable to the applicable parties) prior to the date on which the Registrar is required to provide notice to the Registered Owners.

c. **Notice of Conversion.** The Registrar shall give Electronic Notice, confirmed by first class mail, of each Conversion to the Fixed Rate to each Registered Owner not less than 15 days prior to the proposed Fixed Rate Conversion Date at their addresses as they appear on the Bond Register as of the date notice of the intent to effect Conversion is received by the Registrar from the county. The notice shall include the information required for a mandatory tender for purchase specified in Section F.4. of this motion.

d. **Determination of Fixed Rate.** All Fixed Rate Bonds of a series shall have the same Maturity Date and bear interest at the same Fixed Rate on and after the Fixed Rate Conversion Date unless on the date the Remarketing Agent determines the Fixed Rate the Remarketing Agent also determines, in the reasonable exercise of its judgment, that the Fixed Rate Bonds would bear a lower effective net interest cost if the Fixed Rate Bonds were serial bonds or serial bonds and term bonds. In that case, the Fixed Rate Bonds may be serial bonds or serial bonds and term bonds with different Maturity Dates or mandatory sinking fund redemption dates and bearing separate Fixed Rates for each Maturity Date. The Fixed Rate shall be the minimum interest rate per annum that, in the reasonable judgment of the Remarketing Agent, would enable the Fixed Rate Bonds to be sold on the date of determination at a price equal to the principal amount thereof (without regard to accrued interest, if any, thereon). Not less than five days prior to the Fixed Rate Conversion Date, the Remarketing Agent shall provide Electronic Notice of the schedule of principal amounts per Maturity Date, mandatory sinking fund redemption dates and amounts and each Fixed Rate to the Registrar, the county, the Liquidity Provider, if any, and the Credit Provider, if any.

e. **Conditions to Conversion.** Notwithstanding delivery by the county of notice of its

intent to effect a Conversion to a Fixed Rate, the Conversion to the Fixed Rate shall not take effect if:

- (1) the county withdraws the notice not later than the Business Day preceding the date on which the Fixed Rate is to be determined;
- (2) the Remarketing Agent fails to determine the Fixed Rate;
- (3) the notice of Conversion required to be given to Registered Owners is not given when required;
- (4) the county fails to deliver to the Registrar, the Remarketing Agent, the Credit Provider, if any, and the Liquidity Provider, if any, on or before the Fixed Rate Conversion Date, an opinion of Bond Counsel to the effect that the Conversion is authorized hereby and will not, in and of itself, cause the interest on the Bonds to be includable in gross income for federal income tax purposes; or
- (5) sufficient funds are not available by 12:00 p.m., New York City time, on the Fixed Rate Conversion Date to purchase all of the Bonds required to be purchased on the Fixed Rate Conversion Date.

In any of such events,

- (1) the Fixed Rate Conversion Date shall not occur, whether or not notice of the Conversion has been given to the Registered Owners;
- (2) the Bonds:
  - (A) that are Daily Rate Bonds shall continue to bear interest at a Daily Rate;
  - (B) that are Weekly Rate Bonds shall continue to bear interest at a Weekly Rate;
  - (C) that are Index Floating Rate Bonds shall bear interest at the Delayed Remarketing Rate;
  - (D) that are Direct Purchase Rate Bonds shall bear interest as specified in the Direct Purchase Agreement;

(E) that are Short-Term Rate Bonds shall continue to bear interest at a Short-Term Rate until the Bonds have been remarketed;

(F) that are Long-Term Rate Bonds shall continue to bear interest at a Long-Term Rate until all the Bonds have been remarketed; and

(3) the mandatory tender for purchase of the Bonds on the Fixed Rate Conversion Date shall not occur, whether or not notice of the Conversion has been given to the Registered Owners.

f. **Withdrawal of Notice of Conversion.** Notice of withdrawal of a notice of Conversion shall be given by the county to the Registrar, the Remarketing Agent, the Tender Agent, the Liquidity Provider, if any, and the Credit Provider, if any, by telephone, promptly confirmed in writing, and shall thereafter be promptly given to the Registered Owners by the Registrar by Electronic Notice, confirmed by first class mail.

g. **Sales at Premium or Discount.** Notwithstanding the foregoing, the Fixed Rate may be the interest rate or rates per annum that, in the reasonable judgment of the Remarketing Agent, would enable the Fixed Rate Bonds bearing such interest rate or rates to be sold on the date of determination at a price or prices that will result in the lowest net interest cost, after taking into account any premium or discount at which the Fixed Rate Bonds are sold by the Remarketing Agent, provided that in connection with any such sale at a premium or discount:

(1) The county consents in writing to the sale of such the Fixed Rate Bonds by the Remarketing Agent at such premium or discount;

(2) In the case of Fixed Rate Bonds to be sold at a discount, the county agrees to transfer to the Tender Agent on the Fixed Rate Conversion Date, in immediately available funds, for deposit in the County Purchase Account, an amount equal to such discount;

(3) In the case of Fixed Rate Bonds to be sold at a premium, the Remarketing Agent transfers to the Registrar for deposit in the Multi-Modal LTGO/Sewer Revenue Bond Fund an amount equal to any premium remaining after payment of costs of the remarketing;

(4) On or prior to the date of determination of the Fixed Rate, the county causes to be delivered to the Registrar and the Remarketing Agent notice that Bond Counsel expects to be able to give, on or prior to the Fixed Rate Conversion Date, an opinion to the effect that such Conversion will not, in and of itself, cause the interest on the Fixed Rate Bonds to be includable in gross income for federal income tax purposes; and

(5) On or prior to the Fixed Rate Conversion Date, the county causes to be delivered to the Registrar and the Remarketing Agent an opinion of Bond Counsel to the effect that such Conversion will not, in and of itself, cause the interest on the Fixed Rate Bonds to be includable in gross income for federal income tax purposes.

E. **Redemption of Bonds.**

1. **Daily Rate Bonds.** Daily Rate Bonds are subject to redemption prior to the Maturity Date at the option of the county on any Business Day, in whole or in part in amounts specified by the Finance Director, at a redemption price equal to the principal amount of the Daily Rate Bonds to be redeemed, plus interest accrued thereon to the date fixed for redemption, without premium.

2. **Weekly Rate Bonds.** Weekly Rate Bonds are subject to redemption prior to the Maturity Date at the option of the county on any Business Day, in whole or in part, at a redemption price equal to the principal amount of the Weekly Rate Bonds to be redeemed, plus interest accrued thereon to the date fixed for redemption, without premium.

3. **Index Floating Rate Bonds.** Index Floating Rate Bonds are subject to redemption prior to the Maturity Date at the option of the county on any Par Call Date, in whole or in part, at a redemption price equal to the principal amount of the Index Floating Rate Bonds to be redeemed, plus interest accrued thereon to the date fixed for redemption, without premium.

4. **Direct Purchase Rate Bonds.** Direct Purchase Rate Bonds are subject to redemption on the terms and conditions specified in the Direct Purchase Agreement.

5. **Short-Term Rate Bonds.** Short-Term Rate Bonds are subject to redemption prior to the Maturity Date at the option of the county on any Interest Payment Date, in whole or in part, at a redemption price equal to the principal amount of the Short-Term Rate Bonds to be redeemed, plus interest accrued thereon to the date fixed for redemption, without premium.

6. **Long-Term Rate Bonds.** Long-Term Rate Bonds are subject to redemption prior to the Maturity Date at the option of the county on any Purchase Date, in whole or in part, at a redemption price equal to the principal amount of the Long-Term Rate Bonds to be redeemed, plus interest accrued thereon to the date fixed for redemption, without premium.

7. **Long-Term Interest Period More Than Five Years.** Long-Term Rate Bonds in a Long-Term Interest Period of more than five years are subject to redemption prior to the Maturity Date at the option of the county on any date on or after the fifth anniversary of the Long-Term Rate Conversion Date, in whole or in part, at a redemption price equal to the principal amount of the Long-Term Rate Bonds to be redeemed, plus interest accrued thereon to the date fixed for redemption, without premium.

8. **Fixed Rate Bonds.** Fixed Rate Bonds with a Fixed Interest Period of more than five years are subject to redemption prior to the Maturity Date at the option of the county on any date on or after the fifth anniversary of the Fixed Rate Conversion Date, in whole or in part, at a redemption price equal to the principal amount of the Fixed Rate Bonds to be redeemed, plus interest accrued thereon to the date fixed for redemption, without premium.

9. **Alternative Provisions for Long-Term Rate Bonds and Fixed Rate Bonds.** Notwithstanding the foregoing, if the county delivers to the Registrar and the Remarketing Agent prior to any Conversion Date or Purchase Date for one or more series of Bonds that are Long-Term Rate Bonds or that are being converted to Fixed Rate Bonds (a) a notice containing alternative redemption periods and/or redemption prices for the Long-Term Rate Bonds or Fixed Rate Bonds or converting mandatory sinking fund redemption dates and amounts to serial maturity dates and amounts (or *vice versa*); and (b) an opinion of Bond Counsel addressed to the

Registrar and the Remarketing Agent to the effect that such modifications will not, in and of themselves, cause the interest on the Long-Term Rate Bonds or Fixed Rate Bonds to be includable in gross income for federal income tax purposes, then on and after such Conversion Date, the Long-Term Rate Bonds or Fixed Rate Bonds may be subject to redemption by the county and/or shall mature pursuant to the alternative redemption provisions and/or maturity schedule set forth in that notice.

10. **Bank Bonds.** Bank Bonds are subject to redemption, at a redemption price equal to the principal amount of the Bank Bonds to be redeemed, plus interest accrued thereon to the date fixed for redemption, without premium, on the dates, in the amounts and in the manner set forth in the Liquidity Facility or the related Liquidity Facility Agreement.

11. **Rights of Credit Provider.** At any time a Credit Enhancement is in effect, the Bonds secured by such Credit Enhancement may not be redeemed at the option of the county unless the county has obtained the prior written consent of the Credit Provider or has deposited with the Registrar not less than one Business Day prior to the day fixed for such redemption an amount sufficient to reimburse the Credit Provider for money to be drawn to redeem such Bonds. At any time a Credit Enhancement is in effect, the redemption price of Bonds secured by such Credit Enhancement shall be paid from the proceeds of a draw on such Credit Enhancement; provided, that if the notice of optional redemption was not conditional (or if the county otherwise agrees to redeem such Bonds) and if the Credit Provider fails to honor such draw, the amount provided by the county to the Registrar for such purpose shall be applied to redeem such Bonds on the date fixed for redemption.

12. **Selection of Bonds for Redemption.** Bonds of each series that are Bank Bonds shall be selected for redemption at the option of the county prior to the selection of other Bonds of such series for redemption.

13. **Notice of Redemption.** Notice of redemption of Daily Rate Bonds, Weekly Rate Bonds, Index Floating Rate Bonds, Direct Purchase Rate Bonds and Short-Term Rate Bonds shall be given not less than 15

nor more than 60 days prior to the date fixed for redemption to the Registered Owners thereof by Electronic Notice, confirmed by first class mail. Notice of redemption of Long-Term Rate Bonds and Fixed Rate Bonds shall be given not less than 20 nor more than 60 days prior the date fixed for redemption to the Registered Owners thereof by Electronic Notice, confirmed by first class mail. Notwithstanding the foregoing, notice of redemption of Index Floating Rate Bonds during a Delayed Remarketing Period may (and if required, shall) be given not less than five days prior to the date fixed for redemption, notice of redemption of Direct Purchase Rate Bonds may (and if required, shall) be given as provided in the Direct Purchase Agreement and notice of redemption of Bank Bonds may be given as provided in the Liquidity Facility or any related Liquidity Facility Agreement.

**F. Tender and Purchase of Bonds.**

1. **Tender Agent.** The Registrar is appointed by the county as the initial Tender Agent for the Bonds. The Tender Agent shall designate its office, and any Tender Agent other than the Registrar shall signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the county, the Registrar and the Liquidity Provider, if any, under which the Tender Agent will agree, particularly:

a. To hold all Daily Rate Bonds, Weekly Rate Bonds, Index Floating Rate Bonds, Direct Purchase Rate Bonds, Short-Term Rate Bonds and Long-Term Rate Bonds delivered to it for purchase hereunder as agent and bailee of, and in escrow for the exclusive benefit of, the respective Registered Owners that have delivered such Bonds until money representing the Purchase Price of such Bonds has been delivered to or for the account of or to the order of such Registered Owners;

b. To hold all money, other than proceeds of draws on the Liquidity Facility, delivered to it hereunder for the purchase of Bonds as agent and bailee of, and in escrow for the exclusive benefit of, the person or entity which has delivered such money until the Bonds purchased with such money have been delivered to or for the account of such person or entity;



- c. To hold all money delivered to it hereunder from draws on any Liquidity Facility for the purchase of Daily Rate Bonds, Weekly Rate Bonds, Index Floating Rate Bonds, Short-Term Rate Bonds and Long-Term Rate Bonds as agent and bailee of, and in escrow for the exclusive benefit of, the Registered Owners who deliver Bonds to it for purchase until the Bonds purchased with such money have been delivered to or for the account of the Liquidity Provider;
- d. To keep such books and records as is consistent with prudent industry practice and, upon reasonable advance notice, to make such books and records available for inspection by the county, the Registrar, the Remarketing Agent, the Credit Provider, if any, and the Liquidity Provider, if any; and
- e. To perform the foregoing duties and obligations subject to and in accordance with the provisions hereof relating thereto and to perform such other duties and responsibilities as are provided herein to be performed by the Tender Agent.

The Tender Agent in performing its duties as set forth herein shall have the rights and immunities, including exculpations and indemnifications, of the Registrar as may be set forth herein to the same extent and as fully for all intents and purposes as though such rights and immunities had been set forth at length with respect to the Tender Agent.

**2. Qualifications of Tender Agent.**

- a. The Tender Agent shall be duly organized under the laws of the United States of America or any state or territory thereof and be (1) a commercial bank and trust company; or (2) a national banking association, have a combined capital stock, surplus and undivided profits of not less than \$50,000,000 and be authorized by law to perform all duties imposed upon it hereby. At all times during which the Bonds are not held in book-entry only form, the Tender Agent shall have an office or agency in New York, New York. The Tender Agent may at any time resign and be discharged of the duties and obligations created hereby by giving not less than 60 days' notice to the county, the Registrar, the Liquidity Provider, if any, and the Remarketing Agent, provided that such resignation shall not take effect until the appointment and acceptance of a successor

Tender Agent. The Tender Agent may be removed at any time by the county upon written notice to the Tender Agent, the Registrar, the Liquidity Provider, if any, and the Remarketing Agent, provided that such removal shall not take effect until the appointment of, and the acceptance of appointment by, a successor Tender Agent. Successor Tender Agents may be appointed from time to time by the county and with the written approval of each Liquidity Provider, if any, such approval not to be unreasonably withheld.

b. If no successor Tender Agent shall have been appointed and have accepted appointment within 30 days of the giving notice of resignation or notice of removal as aforesaid, the county may appoint, with the prior written approval of the Liquidity Provider, if any (such approval not to be unreasonably withheld), a successor Tender Agent to act until a successor Tender Agent is appointed pursuant to the foregoing provisions.

c. If no appointment of a successor Tender Agent shall have been made pursuant to the foregoing provisions, the Tender Agent resigning or being removed or any Registered Owner (on behalf of itself and all other Registered Owners) may petition any court of competent jurisdiction for the appointment of a successor Tender Agent, and such court may thereupon, after such notice, if any, as it may deem proper, appoint such successor Tender Agent.

d. Any successor Tender Agent appointed hereunder shall signify its acceptance of such appointment by executing and delivering to the county, the Registrar, the Liquidity Provider, if any, the Remarketing Agent and its predecessor Tender Agent a written acceptance thereof, and thereupon (1) the successor Tender Agent, without further act, deed or conveyance, shall become vested with all the money, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Tender Agent, with like effect as if originally named Tender Agent herein; and (2) the predecessor Tender Agent shall pay over, transfer, assign and deliver to the successor Tender Agent all right, title and interest of the Tender Agent in and to all money and all other property (including Bank Bonds) held by the Tender Agent subject to and in accordance herewith; but nevertheless, at the request of the county, the successor Tender Agent, any Remarketing Agent or

the Liquidity Provider, the predecessor Tender Agent shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to the successor Tender Agent all right, title and interest of the predecessor Tender Agent in and to all money and all other property (including Bank Bonds) held by it hereunder. Upon request of the successor Tender Agent, the county shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to the successor Tender Agent all money, estates, properties, rights, powers, trusts, duties and obligations of the predecessor Tender Agent. Upon acceptance by a successor Tender Agent as provided herein, the county shall give Electronic Notice of the succession of such Tender Agent, confirmed by first class mail, to the Registered Owners at the addresses shown on the Bond Register. If the county fails to deliver the notice within 15 days after the acceptance of appointment by the successor Tender Agent, the Registrar shall cause the notice to be delivered to the Registered Owners within 30 days after such acceptance at the expense of the county.

e. Any entity into which the Tender Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any entity to which the Tender Agent may sell or transfer all or substantially all of its trust or trust-related business, provided such entity is eligible hereunder, shall be the successor to such Tender Agent, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding. Upon any such merger, consolidation or sale, the successor Tender Agent shall notify the county, the Remarketing Agent, the Registrar and the Liquidity Provider and, thereafter, shall deliver to the Registered Owners at the addresses appearing on the Bond Register notice of the succession of such Tender Agent to the duties of the Tender Agent hereunder.

### **3. Optional Tender for Purchase of Daily Rate Bonds and Weekly Rate Bonds.**

a. A Registered Owner or Beneficial Owner may opt to tender Daily Rate Bonds, or portions thereof in Authorized Denominations, for purchase at the Purchase Price payable to the Registered

Owner (and not the Beneficial Owner) in immediately available funds on any Business Day upon delivery of Electronic Notice or written notice of tender to the Tender Agent and the Remarketing Agent not later than 11:00 a.m., New York City time, on the designated Purchase Date.

b. A Registered Owner or Beneficial Owner may opt to tender Weekly Rate Bonds, or portions thereof in Authorized Denominations, for purchase at the Purchase Price payable to the Registered Owner (and not the Beneficial Owner) in immediately available funds on any Business Day upon delivery of Electronic Notice or written notice of tender to the Tender Agent and the Remarketing Agent not later than 5:00 p.m., New York City time, on a Business Day not less than seven days prior to the designated Purchase Date.

c. Each notice of optional tender for purchase:

(1) Shall be delivered to the Tender Agent and the Remarketing Agent at their respective designated offices and be in form satisfactory to the Tender Agent and the Remarketing Agent;

(2) Shall state (A) the principal amount of the Daily Rate Bond or Weekly Rate Bond or portion thereof in an Authorized Denomination being tendered and the CUSIP number of the Daily Rate Bond or Weekly Rate Bond; (B) that the Registered Owner or the Beneficial Owner irrevocably demands purchase of the Daily Rate Bond or Weekly Rate Bond or portion thereof; (C) the Purchase Date on which such Daily Rate Bond or Weekly Rate Bond or portion thereof is to be purchased; and (D) payment instructions with respect to the Purchase Price; and

(3) Shall constitute upon delivery (A) an irrevocable offer to sell the Daily Rate Bond or Weekly Rate Bond or portion thereof on the Purchase Date, to any purchaser selected by the Remarketing Agent, at a price equal to the Purchase Price; (B) an irrevocable authorization and instruction to the Tender Agent to effect transfer of the Daily Rate Bond or Weekly Rate Bond or portion thereof upon receipt by the Tender Agent of funds sufficient to pay the Purchase Price thereof on the Purchase Date; (C) an irrevocable authorization and instruction to the Tender Agent to effect the exchange of the Daily Rate Bond or Weekly Rate Bond for one or more Daily Rate Bonds or Weekly Rate Bonds in an equal aggregate principal amount so as to

facilitate the sale of the Daily Rate Bond or Weekly Rate Bond or portion thereof; and (D) an acknowledgment that the Registered Owner and the Beneficial Owner will have no further rights with respect to the Daily Rate Bond or Weekly Rate Bond or portion thereof upon deposit of an amount equal to the Purchase Price thereof with the Tender Agent on the Purchase Date, except for the right of the Registered Owner (and not the Beneficial Owner) to receive the Purchase Price upon surrender of the Daily Rate Bond or Weekly Rate Bond or portion thereof to the Tender Agent.

d. The determination of the Tender Agent and the Remarketing Agent as to whether a notice of tender has been properly delivered shall be conclusive and binding upon the Registered Owner and the Beneficial Owner. The Tender Agent or the Remarketing Agent may waive any irregularity or nonconformity in any notice of tender.

e. The right of each Registered Owner or Beneficial Owner to tender a Daily Rate Bond or Weekly Rate Bond for optional purchase shall terminate on the Conversion Date to an Interest Rate Mode that is not a Daily Rate Period or Weekly Rate Period.

f. The Tender Agent shall promptly return to the Registered Owner or Beneficial Owner any notice of optional tender for purchase that is incomplete or improperly completed or not delivered within the time required delivering the notice, and shall promptly return to the Registered Owner the Daily Rate Bond or Weekly Rate Bond delivered therewith upon surrender of the receipt, if any, issued therefor.

**4. Mandatory Tender for Purchase of Bonds.**

a. Each series of the Bonds shall be subject to mandatory tender for purchase by the Tender Agent at the Purchase Price on each of the following Purchase Dates:

(1) Each Conversion Date (unless the Conversion Date is already a Purchase Date, in which case no separate mandatory tender for purchase shall occur), except for a Conversion between the Daily Rate Period and Weekly Rate Period;

(2) Each County Elective Purchase Date.

- (3) Each Short-Term Rate Mandatory Purchase Date;
- (4) Each Long-Term Rate Mandatory Purchase Date;
- (5) The fifth day preceding each Expiration Date (unless, on or prior to the fifth day preceding the Expiration Date, the Expiration Date is extended);
- (6) Each Credit Facility Date and Liquidity Facility Date;
- (7) Each Termination Date;
- (8) The date the county elects to terminate the Credit Enhancement or Liquidity Facility prior to its expiration;
- (9) Each Non-reinstatement Date; and
- (10) Each date specified as a "Purchase Date" in the Direct Purchase Agreement.

b. In addition to any other requirements set forth herein, each notice of mandatory tender for purchase of a series of Bonds shall:

- (1) Specify the proposed Purchase Date and the event that gives rise to the proposed Purchase Date;
- (2) State that the Bonds shall be subject to mandatory tender for purchase on the proposed Purchase Date;
- (3) State that Registered Owners and Beneficial Owners may not elect to retain Bonds subject to mandatory tender for purchase;
- (4) State that all Bonds subject to mandatory tender for purchase are required to be delivered to the designated office of the Tender Agent not later than 1:00 p.m., New York City time, on the Purchase Date;
- (5) State that if the Registered Owner of any Bond subject to mandatory tender for purchase fails to deliver the Bond to the Tender Agent for purchase on the Purchase Date, and if the Tender Agent is in receipt of funds sufficient to pay the Purchase Price, the Bond shall nevertheless be deemed

purchased on the Purchase Date and ownership of the Bond will be transferred to the purchaser thereof;

(6) State that any Registered Owner that fails to deliver any Bond subject to mandatory tender for purchase will have no further rights thereunder or hereunder except the right to receive the Purchase Price upon presentation and surrender of the Bond to the Tender Agent, and that the Registrar will place a stop transfer against the Bond on the Bond Register;

(7) State that the Bonds will be purchased if money sufficient to effect such purchase has been provided from (A) the remarketing of the Bonds by the Remarketing Agent; (B) the Liquidity Facility, if any; or (C) funds provided by the county;

(8) In the case of mandatory tender for purchase on any proposed Conversion Date, state that such Conversion and such mandatory tender will not occur if the conditions precedent to the Conversion are not satisfied, and summarize such conditions;

(9) In the case of mandatory tender for purchase on the fifth day preceding an Expiration Date, state that such mandatory tender will not occur, if, on or prior to the fifth day preceding the Expiration Date, the Expiration Date is extended; and

(10) In the case of mandatory tender for purchase on a Credit Facility Date or Liquidity Facility Date, state that such mandatory tender will not occur if the conditions precedent to the effectiveness of the Credit Enhancement or Liquidity Facility are not satisfied, and summarize such conditions.

c. Except as otherwise expressly provided herein with respect to notice of mandatory tender for purchase of Bonds on a proposed Conversion Date, Credit Facility Date or Liquidity Facility Date, (1) the Registrar shall give Electronic Notice of mandatory tender for purchase of Bonds to the Tender Agent, the Remarketing Agent, the Credit Provider, if any, and the Liquidity Provider, if any, not less than five days (or such shorter period as shall be acceptable to the applicable parties) prior to the date on which the Registrar is required to provide notice to the Registered Owners; and (2) the Registrar shall give Electronic Notice, confirmed by first class mail, of mandatory tender for purchase of Bonds to each Registered Owner not less

than 15 days prior to each proposed Purchase Date at their addresses as they appear on the Bond Register as of the date the notice is prepared.

d. If, following the giving of notice of mandatory tender for purchase of Bonds, an event occurs that, in accordance with the terms hereof causes such mandatory tender for purchase not to occur, then (1) the Registrar shall so notify the Registered Owners at their addresses as they appear on the Bond Register on the date of the notice, by Electronic Notice, confirmed by first class mail, as soon as practicable; and (2) the Tender Agent shall return to the Registered Owners any Bonds tendered to the Tender Agent in connection with such mandatory tender for purchase.

e. Daily Rate Bonds and Weekly Rate Bonds, on any Business Day designated by the county, Index Floating Rate Bonds, on any Par Call Date designated by the county, in each case with the consent of the Liquidity Provider, if any, and Direct Purchase Rate Bonds, on any date designated as such by the county in accordance with the Direct Purchase Agreement (each, a "County Elective Purchase Date"), are subject to mandatory tender for purchase at the Purchase Price. Each County Elective Purchase Date shall be a Business Day not earlier than the 10th day following the second Business Day after receipt by the Tender Agent of such designation. If on a County Elective Purchase Date sufficient remarketing proceeds or other amounts provided by the county are not available to pay the Purchase Price of all Bonds subject to mandatory tender for purchase, then the designation of the County Elective Purchase Date shall be deemed rescinded, and the county shall have no obligation to purchase the Bonds tendered or deemed tendered for purchase on the County Elective Purchase Date. The Registrar shall give Electronic Notice of such rescission to the Registered Owners, the county, the Tender Agent, the Remarketing Agent and the Liquidity Provider as soon as practicable and in any event not later than the succeeding Business Day, confirmed by first class mail.

**5. Purchase of Bonds by Tender Agent.**

a. Bonds to be purchased by the Tender Agent pursuant to an optional tender for purchase or mandatory tender for purchase shall be delivered by the Registered Owners to the Tender Agent (together



with necessary assignments and endorsements) not later than 1:00 p.m., New York City time, on the Purchase Date.

b. Bonds to be purchased by the Tender Agent pursuant to an optional tender for purchase or mandatory tender for purchase for which notice has been duly delivered but that are not delivered for purchase on or prior to the Purchase Date, and for which there has been irrevocably deposited in escrow with the Registrar or the Tender Agent an amount sufficient to pay the Purchase Price, shall be deemed to have been tendered to the Tender Agent for purchase, and Registered Owners shall not be entitled to any payment (including any interest to accrue on or after the Purchase Date) other than the Purchase Price, and such Bonds shall not be entitled to any benefits hereof, except for payment of the Purchase Price out of the money deposited in the Purchase Fund for such payment.

c. For each series of the Bonds subject to optional tender for purchase or mandatory tender for purchase, the Tender Agent shall establish a special trust fund to be designated the "Purchase Fund," and, within the Purchase Fund, the Tender Agent shall establish four separate accounts to be designated the Remarketing Account, the Liquidity Account, the County Purchase Account and the Undelivered Bond Payment Account. Only the Tender Agent shall have any right of withdrawal from the Purchase Fund, and the Purchase Fund and such right of withdrawal shall be for the sole and exclusive benefit of the Registered Owners of the Bonds subject to purchase on Purchase Dates (and the Liquidity Provider, to the extent required to reimburse the Liquidity Provider), and the county shall have no legal, beneficial or equitable interest in the Purchase Fund. Money in the Purchase Fund shall be held uninvested. Money in the Purchase Fund shall not be commingled with money held for any other series of bonds of the county, and money in a particular account of the Purchase Fund shall not be commingled with money in any other account of the Purchase Fund.

(1) Any money received by the Tender Agent from remarketing Bonds on a Purchase Date shall be deposited in the Remarketing Account of the Purchase Fund and applied to pay the Purchase Price of Bonds or to pay or reimburse the Liquidity Provider for the payment thereof.

(2) Any money received by the Tender Agent from the Liquidity Provider for the purchase of Bonds on a Purchase Date shall be deposited in the Liquidity Account of the Purchase Fund and applied in accordance with Section F.5. of this motion. Notwithstanding anything herein to the contrary, the Tender Agent shall not draw on the Liquidity Facility to pay the Purchase Price of Bank Bonds or of Bonds held by the county.

(3) Any money received by the Tender Agent from the county for the purchase of Bonds on a Purchase Date shall be deposited in the County Purchase Account of the Purchase Fund and applied to pay or reimburse the Liquidity Provider for the payment thereof.

d. Upon receipt of notice of an optional tender for purchase of Daily Rate Bonds duly delivered, the Tender Agent shall provide telephonic notice to the county, the Remarketing Agent and the Liquidity Provider not later than 11:15 a.m., New York City time, on the Purchase Date, of the principal amount of Daily Rate Bonds tendered and the Purchase Price, and the Tender Agent shall promptly confirm such telephonic notice by Electronic Notice.

e. Upon receipt of notice of an optional tender for purchase of Weekly Rate Bonds duly delivered, the Tender Agent shall provide Electronic Notice to the county, the Remarketing Agent and the Liquidity Provider not later than 5:00 p.m., New York City time, on the next Business Day, of the principal amount of Weekly Rate Bonds to be tendered and the Purchase Price.

f. Simultaneously with the giving of notice of any mandatory tender for purchase of Bonds, the Registrar shall give Electronic Notice to the Tender Agent, the Remarketing Agent and the Liquidity Provider, if any, specifying the Purchase Date, principal amount and Purchase Price.

g. Not later than 12:00 p.m., New York City time, on each Purchase Date (or such earlier time as may be required to effect a Liquidity Facility Request by the Liquidity Provider), the Tender Agent shall determine the amount, if any, by which the Purchase Price of the Bonds to be purchased on the Purchase Date exceeds the amount of the remarketing proceeds on deposit in the Remarketing Account of the Purchase Fund

at such time; and

(1) If a Liquidity Facility is in effect on the Purchase Date, then (A) not later than 12:15 p.m., New York City time, on the Purchase Date, the Tender Agent shall request (a "Liquidity Facility Request") the purchase by the Liquidity Provider under the Liquidity Facility, or the funding by the Liquidity Provider under the Liquidity Facility of money for the purchase, of unremarketed Bonds having a Purchase Price equal to the amount of such excess (by submitting to the Liquidity Provider in accordance with the Liquidity Facility all such documents as are required for that purpose); and (B) not later than 2:45 p.m., New York City time, on the Purchase Date, the Tender Agent shall deposit the proceeds of the Liquidity Facility Request in the Liquidity Account of the Purchase Fund; or

(2) If a Liquidity Facility is not in effect on the Purchase Date and the county is obligated to make Required Liquidity Payments or otherwise elects in its sole discretion to make Optional Liquidity Payments to provide funds for such payment, then (A) not later than 12:30 p.m., New York City time, on the Purchase Date, the Tender Agent shall notify the county that the amount of such excess is payable by the county to the Tender Agent not later than 2:30 p.m., New York City time, on the Purchase Date; and (B) not later than 2:30 p.m., New York City time, on such Purchase Date, the Tender Agent shall deposit the amount received from the county for such purpose in the County Purchase Account of the Purchase Fund.

h. Not later than 3:00 p.m., New York City time, on each Purchase Date, the Tender Agent shall pay the Purchase Price of Bonds to be purchased on the Purchase Date to the Registered Owners (and not the Beneficial Owners) thereof (upon surrender thereof for payment of the Purchase Price), from the following sources and in the following order of priority:

(1) Money on deposit in the Remarketing Account of the Purchase Fund  
(representing the proceeds of the remarketing delivered by the Remarketing Agent);

(2) If a Liquidity Facility is in effect on the Purchase Date, money on deposit in the Liquidity Account of the Purchase Fund (representing the proceeds of a Liquidity Facility Request under the

Liquidity Facility); and

(3) If a Liquidity Facility is not in effect on the Purchase Date, money on deposit in the County Purchase Account of the Purchase Fund (representing amounts paid by the county to the Tender Agent for the purchase of such Bonds).

i. Any money remaining in the Remarketing Account, the Liquidity Account or the County Purchase Account of the Purchase Fund and representing (but not exceeding) the Purchase Price of Bonds subject to purchase on the Purchase Date but not tendered and delivered for purchase on the Purchase Date (after making the payments from the Purchase Fund described above) shall be transferred by the Tender Agent to the Undelivered Bond Payment Account of the Purchase Fund not later than 3:30 p.m., New York City time, on the Purchase Date and retained therein, subject to application as described below. Any money remaining in the Remarketing Account, the Liquidity Account and the County Purchase Account of the Purchase Fund on the Purchase Date after the payments from the Purchase Fund and the transfer to the Undelivered Bond Payment Account described above shall be wire transferred by the Tender Agent, in immediately available funds, prior to the close of business on the Purchase Date, to the Remarketing Agent, the Liquidity Provider and the county, respectively.

j. Money transferred to the Undelivered Bond Payment Account of the Purchase Fund on any Purchase Date shall be applied, on or after the Purchase Date, by the Tender Agent to pay the Purchase Price of Undelivered Bonds in respect of which they were so transferred, upon the surrender of such Bonds to the Tender Agent for such purpose.

k. There are hereby pledged to secure the payment of the Purchase Price of Bonds tendered or deemed tendered for purchase all of the Required Liquidity Payments and other amounts held in the Purchase Fund, subject only to the provisions hereof permitting the application thereof for the purposes and on the terms and conditions set forth herein.

**6. Insufficient Funds for Payment of the Purchase Price.**

a. If the funds available for the purchase of Bonds subject to optional tender for purchase or mandatory tender for purchase on a Purchase Date are insufficient to purchase all of the Bonds (including Undelivered Bonds), then no purchase of any Bonds shall occur on the Purchase Date and, on the Purchase Date, the Tender Agent shall (1) return to the Registered Owners all of the Bonds that were tendered; (2) return all money received by the Tender Agent for the purchase of the Bonds to the respective persons that provided such money (in the respective amounts in which such money was so provided); and (3) notify the Registrar of the foregoing.

b. Bonds that are not purchased on a Purchase Date when required shall bear interest at the rates provided in Section D.1.d.(2)(B) of this motion.

c. If a Credit Enhancement or Liquidity Facility is in effect, and the Credit Provider or Liquidity Provider has failed to honor its payment obligations under the Credit Enhancement or Liquidity Facility, 25% of the Registered Owners of the Bonds secured by the Credit Enhancement or Liquidity Facility (excluding Bank Bonds and Bonds held by the county) shall have the right at any time, by an instrument or instruments in writing executed and delivered to the Registrar, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Credit Enhancement or Liquidity Facility, or any other proceedings thereunder; provided, that such direction is in accordance with applicable law and satisfactory evidence of the ownership of each Bond is provided to the Registrar.

**7. Delayed Remarketing Period.**

a. During a Delayed Remarketing Period, the Remarketing Agent shall continue to remarket the series of Index Floating Rate Bonds subject to purchase. The Remarketing Agent shall provide notice to the county and the Registrar no later than the Business Day after determining that all of the series of Index Floating Rate Bonds can be remarketed. Upon receipt of such notice from the Remarketing Agent, the county shall direct the Registrar to provide notice to the Registered Owners that the Index Floating Rate Bonds will be

subject to mandatory tender for purchase on a Business Day no later than the Business Day following the day such notice is given to the Registrar. The Registrar shall give Electronic Notice, confirmed by first class mail, of the mandatory tender for purchase of the Index Floating Rate Bonds to the Registered Owners at their addresses as they appear on the Bond Register as of the date such direction is received by the Registrar. The notice shall include the information required for a mandatory tender for purchase specified in Section F.4. of this motion.

b. During a Delayed Remarketing Period:

- (1) Interest on the Index Floating Rate Bonds shall accrue at the Delayed Remarketing Rate and be payable on each Interest Payment Date;
- (2) The Index Floating Rate Bonds shall continue to be subject to optional redemption by the county;
- (3) The county may effect a Conversion of the Index Floating Rate Bonds to a new Interest Rate Mode; and
- (4) The county may designate a County Elective Purchase Date for the Index Floating Rate Bonds.

G. **Remarketing of Bonds.**

1. **Remarketing Agent.**

a. One or more Remarketing Agents may be appointed for one or more series of the Bonds from time to time by the Finance Director with the prior written consent of the Liquidity Provider, if any (which consent shall not be unreasonably withheld). Each Remarketing Agent shall designate its office and signify its acceptance of the duties and obligations imposed upon it as described herein by a written instrument of acceptance delivered to the county, the Registrar and the Liquidity Provider, or by executing and delivering a Remarketing Agreement, in either case under which the Remarketing Agent will agree, particularly:

- (1) To hold all money delivered to it hereunder for the purchase of Bonds as a

fiduciary for the exclusive benefit of the person or persons that shall have so delivered such money until the Bonds purchased with such money shall have been delivered to or for the account of such person or persons;

(2) To keep such books and records as are consistent with prudent industry practice and to make such books and records available for inspection by the county and the Registrar at all reasonable times;

(3) To determine each Daily Rate, Weekly Rate, Short-Term Rate, Long-Term Rate, Fixed Rate and Applicable Spread and to give notice of such rates or spread in accordance with the provisions hereof;

(4) To offer for sale and use its best efforts subject to the terms of the Remarketing Agreement to find purchasers for the Bonds tendered or deemed tendered for purchase, any such sale to be made at the Purchase Price or at such other price as may be permitted under the terms hereof;

(5) To deliver to the Tender Agent all Bonds held by it in accordance with the terms hereof and of the Remarketing Agreement; and

(6) To perform such other duties and responsibilities as are provided herein to be performed by the Remarketing Agent.

b. One or more firms may serve as co-Remarketing Agents hereunder provided that each co-Remarketing Agent satisfies the requirements hereof. If co-Remarketing Agents have been appointed and are performing the duties of Remarketing Agent hereunder, all references herein to the Remarketing Agent shall be deemed to refer to all the Remarketing Agents acting jointly; provided, that the Remarketing Agreement may provide that one firm may perform certain specified duties hereunder in its sole capacity.

c. Except as may otherwise be provided in a Remarketing Agreement, each Remarketing Agent may in good faith hold any Bonds or any other form of indebtedness issued by the county; own, accept or negotiate any drafts, bills of exchange, acceptances or obligations thereof; and make disbursements therefor and enter into any commercial or business arrangement therewith; all without any liability on the part of the

Remarketing Agent for any real or apparent conflict of interest by reason of any such actions.

2. **Qualifications of Remarketing Agent.** Each Remarketing Agent shall be authorized by law to perform all of the duties imposed upon it hereunder. The Remarketing Agent may at any time resign and be discharged of the duties and obligations of the Remarketing Agent described herein by giving not less than 30 days' notice to the county, the Registrar, the Tender Agent, the Liquidity Provider and the Credit Provider, if any, and each Rating Agency. The Remarketing Agent may be removed at any time upon written notice by the county to the Remarketing Agent, the Tender Agent, the Registrar, the Liquidity Provider and the Credit Provider, if any, and each Rating Agency.

3. **Sale of Bonds by Remarketing Agent.**

a. Upon receipt by the Remarketing Agent of (1) notice of optional tender for purchase of Daily Rate Bonds or Weekly Rate Bonds; or (2) notice of mandatory tender for purchase of a series of Bonds, the Remarketing Agent shall offer for sale and use its best efforts subject to the terms of the Remarketing Agreement to find purchasers for the Bonds tendered or deemed tendered for purchase, any such sale to be made at the Purchase Price or at such other price as may be permitted under the terms hereof; provided, that so long as a Credit Enhancement or Liquidity Facility is in effect, the Remarketing Agent shall not knowingly offer for sale or sell any Daily Rate Bonds or Weekly Rate Bonds to the county; and provided further, that the Remarketing Agent shall not offer for sale or use its best efforts to find purchasers for the Bonds tendered or deemed tendered for purchase that are subject to mandatory tender for purchase:

(1) on the fifth day preceding each Expiration Date (unless, on or prior to the fifth day preceding the Expiration Date, the Expiration Date is extended);

(2) on the Termination Date; or

(3) on the Non-reinstatement Date.

b. The Remarketing Agent shall pay or direct the purchasers to pay the proceeds of all purchases of Bonds made, solicited and arranged by the Remarketing Agent, to the Tender Agent (for deposit in



the Remarketing Account of the Purchase Fund), not later than 12:00 p.m., New York City time, on the Purchase Date, in immediately available funds.

c. Not later than 4:30 p.m., New York City time, on the Business Day preceding each Purchase Date (other than a Purchase Date for Daily Rate Bonds subject to optional tender for purchase), the Remarketing Agent shall give telephonic notice to the Tender Agent, promptly confirmed by Electronic Notice, specifying: (1) the principal amount and Purchase Price of Bonds subject to purchase on the Purchase Date for which the Remarketing Agent has received indications of interest from prospective purchasers; and (2) the principal amount and Purchase Price of Bonds subject to purchase on the Purchase Date for which the Remarketing Agent has not received indications of interest from prospective purchasers.

d. Except as otherwise expressly provided herein, the Remarketing Agent shall offer for sale and use its best efforts subject to the terms of the Remarketing Agreement to find purchasers for the Bank Bonds, any such sale to be made at the Purchase Price or at such other price as may be permitted under the terms hereof, the interest component of the Purchase Price being calculated at the rate that would be borne by the Bank Bonds if the Bank Bonds were not Bank Bonds. In connection with each remarketing of Bank Bonds by the Remarketing Agent:

(1) The Remarketing Agent shall (A) provide to the county, the Registrar, the Tender Agent and the Liquidity Provider not less than one Business Day's prior notice of such remarketing; and (B) pay, or cause to be paid to the Liquidity Provider, by wire transfer of immediately available funds, the proceeds of such remarketing;

(2) The county shall (A) in consultation with the Liquidity Provider, calculate the amount of money payable to the Liquidity Provider pursuant to the Liquidity Facility or the related Liquidity Facility Agreement by reason of, and on the date of, such remarketing ("the Remarketing Payment Amount"); and (B) pay to the Liquidity Provider, on the date of such remarketing, by wire transfer of immediately available funds, the amount of money which, when added to the proceeds of such remarketing being delivered

to the Liquidity Provider on the date of such remarketing, equals the Remarketing Payment Amount;

(3) The Tender Agent shall confirm with the Liquidity Provider the receipt by the Liquidity Provider of the Remarketing Payment Amount, the reinstatement of the obligation of the Liquidity Provider to make funds available under the Liquidity Facility and the authorization of the Liquidity Provider to release the Bank Bonds or its security interest therein; and

(4) After, and only after, receipt by the Tender Agent of confirmation by the Liquidity Provider of the reinstatement of the obligation of the Liquidity Provider under the Liquidity Facility to purchase or make funds available for the purchase of Bank Bonds following the remarketing of such Bank Bonds and authorization by the Liquidity Provider of such transfer or such authentication and delivery, the Tender Agent shall (A) if the Bonds are held in book-entry only form, cause the ownership interest in such Bank Bonds to be transferred to or for the benefit of such purchaser or purchasers designated by the Remarketing Agent; and (B) if the Bonds are not held in book-entry only form, cause the Registrar to authenticate Bonds in lieu of such Bank Bonds and to deliver the same to or upon the instruction of the Remarketing Agent.

e. The Remarketing Agent shall offer for sale and use its best efforts subject to the terms of the Remarketing Agreement to find purchasers for (1) any Bonds subject to purchase on a Purchase Date that have been purchased with money provided by the county to the Tender Agent for such purpose; and (2) any Bonds that have been purchased by the county pursuant to the Liquidity Facility or the related Liquidity Facility Agreement and have not been surrendered by the county for cancellation.

#### 4. **Delivery of Bonds.**

a. Upon application of available money to purchase Bonds on a Purchase Date (and/or to the transfer thereof to the Undelivered Bond Payment Account of the Purchase Fund on a Purchase Date), the Tender Agent shall cause the Registrar to register the transfer of Bonds so purchased in the names of the purchasers in accordance with information provided by the Remarketing Agent for such purpose and to make

Bonds available for delivery against payment therefor.

b. Upon application of money drawn on a Liquidity Facility to purchase Bonds on a Purchase Date (and/or to the transfer thereof to the Undelivered Bond Payment Account of the Purchase Fund on a Purchase Date), the Bonds so purchased shall constitute Bank Bonds unless and until such Bonds cease to be Bank Bonds. If the Bonds are held in book-entry only form, the ownership interest in such Bank Bonds shall be transferred on the books of DTC to or for the account of the Tender Agent or a participant acting on behalf of the Tender Agent and the Tender Agent shall, and shall cause such participant to, mark its own books and records to reflect the beneficial ownership of such Bank Bonds by the Liquidity Provider. If the Bonds are no longer held in book-entry only form, such Bank Bonds shall be delivered by the Tender Agent to the Registrar for registration of transfer and shall be registered by the Registrar in the name of the Liquidity Facility Provider, or any nominee of the Liquidity Facility Provider, and delivered by the Registrar to the Tender Agent and held by the Tender Agent as bailee and custodian of the Liquidity Facility Provider. The Tender Agent shall release and redeliver or transfer Bank Bonds that have been remarketed by the Remarketing Agent. Any other disposition of Bank Bonds shall be made only at the written direction or with the prior written consent of the Liquidity Facility Provider.

c. Upon application of money provided by the county to purchase Bonds on a Purchase Date (and/or to the transfer thereof to the Undelivered Bond Payment Account of the Purchase Fund on a Purchase Date), the Bonds so purchased shall be registered in the name of the county and shall, at the direction of the county, be delivered to the Registrar for cancellation (and canceled by the Registrar) or delivered to the Tender Agent for the account of the county and remarketed.

#### **H. Credit Facilities and Liquidity Facilities.**

##### **1. Credit Facilities.**

a. **Delivery of a Credit Enhancement.** The county may, at its sole option, maintain or deliver a Credit Enhancement or otherwise make funds available to the Registrar pursuant to a Credit

Enhancement to provide for the payment of principal of and interest on one or more series of the Bonds or portions thereof. Any Credit Enhancement that secures payment of one or more series of Daily Rate Bonds, Weekly Rate Bonds or Short-Term Rate Bonds shall be equal to the Required Stated Amount with a term of not less than 360 days after the Credit Facility Date. In each case where a Credit Enhancement is to be delivered to the Registrar (including the delivery of a new Credit Enhancement in substitution for an existing Credit Enhancement), the Credit Enhancement shall become effective only if the Bonds to be secured thereby have been successfully purchased and remarketed on the Purchase Date. Upon delivery of a Credit Enhancement, together with the Supporting Credit Facility Documents described below, the Registrar shall accept the Credit Enhancement and, upon such acceptance, the Credit Enhancement shall be the Credit Enhancement and the issuer of the Credit Enhancement shall be the Credit Provider for all purposes hereof.

b. **Mandatory Tender for Purchase of Bonds in Connection with Delivery of a Credit Enhancement.** If a Credit Enhancement is delivered and accepted, the Bonds to be secured thereby shall be subject to mandatory tender for purchase on the Credit Facility Date.

c. **Notice of Delivery of Credit Enhancement; Conditional Mandatory Tender for Purchase of Bonds.** The county shall give Electronic Notice of the proposed delivery of a Credit Enhancement and the proposed Credit Facility Date to the Registrar, the Tender Agent, the Remarketing Agent, the Credit Provider, if any, and the Liquidity Provider, if any, not less than five days (or such shorter period as shall be acceptable to the applicable parties) prior to the date on which the Registrar is required to provide notice to the Registered Owners. The Registrar shall give Electronic Notice, confirmed by first class mail, of the proposed delivery of a Credit Enhancement and the proposed Credit Facility Date to each Registered Owner not less than 15 days prior to the proposed Credit Facility Date at their addresses as they appear on the Bond Register as of the date of notice of the proposed delivery of a Credit Enhancement is received by the Registrar from the county. The notice shall include the information required for a mandatory tender for purchase specified in Section F.4. of this motion. The notice shall also state that the mandatory tender for purchase will not occur if,

on or prior to the proposed Credit Facility Date, the Tender Agent does not receive the Credit Enhancement, together with the Supporting Credit Facility Documents. If, because the conditions to the mandatory tender for purchase are not satisfied, no mandatory tender for purchase occurs on the proposed Credit Facility Date, (1) the Tender Agent give notice thereof to the Registrar; (2) the Registrar shall give Electronic Notice thereof, confirmed by first class mail, to the Registered Owners at their addresses as they appear on the Bond Register as of the date of such notice; and (3) the Tender Agent shall return to the Registered Owners any Bonds tendered to the Tender Agent in connection with such mandatory tender for purchase.

d. **Expiration and Termination.** The county may elect at any time, in accordance with the terms of a Credit Enhancement or related Credit Facility Agreement (1) to permit the Credit Enhancement to expire without delivering a substitute Credit Enhancement; or (2) to terminate the Credit Enhancement prior to its Expiration Date.

e. **Supporting Credit Facility Documents.** In connection with the delivery of a Credit Enhancement after the Closing Date, the county shall deliver, or shall cause to be delivered, the following documents ("the Supporting Credit Facility Documents"):

(1) written consent of the Liquidity Provider, if any, if the Liquidity Provider is a separate entity from the Credit Provider;

(2) written evidence from each Rating Agency of the rating to be assigned by the Rating Agency to the Bonds following the delivery of the Credit Enhancement;

(3) a written opinion of counsel to the Credit Provider, addressed to the Registrar and the Tender Agent, to the effect that the Credit Enhancement is the legal, valid and binding obligation of the Credit Provider, enforceable against the Credit Provider in accordance with its terms (subject to customary exceptions relating to bankruptcy, insolvency and rights of creditors generally and to specific performance and equitable remedies);

(4) an opinion of Bond Counsel to the effect that the delivery of the Credit

Enhancement will not, in and of itself, cause interest on the Bonds to be secured thereby to be includable in gross income for federal income tax purposes; and

(5) if applicable, the written acknowledgment of the Credit Provider of the Credit Enhancement then in effect that all conditions precedent to termination of the Credit Enhancement then in effect that are set forth in the Credit Enhancement then in effect or in any related Credit Facility Agreement have been fulfilled (or provision satisfactory to the Credit Provider has been made for such fulfillment).

f. The Registrar shall hold and maintain each Credit Enhancement for the benefit of the Registered Owners of Bonds secured thereby until the Credit Enhancement expires in accordance with its terms, is earlier terminated by the county or is replaced by a substitute Credit Enhancement. Subject to the provisions hereof, the Registrar shall enforce all terms, covenants and conditions of each Credit Enhancement, including payment when due of any draws on the Credit Enhancement and the provisions relating to the payment of draws on, and reinstatement of amounts that may be drawn on, the Credit Enhancement, and will not consent to, agree to or permit any amendment or modification of the Credit Enhancement that would materially adversely affect the rights or security of the Registered Owners of the Bonds secured thereby. The Registrar shall be entitled to rely on a written opinion of counsel or an officer's certificate as to whether an amendment or modification of the Credit Enhancement would materially adversely affect the rights or security of the Registered Owners secured thereby. If at any time during the term of a Credit Enhancement any successor Registrar is appointed and qualified hereunder, the resigning or removed Registrar shall request that the Credit Provider transfer the Credit Enhancement to the successor Registrar. If the resigning or removed Registrar fails to make this request, the successor Registrar shall do so and shall delay accepting appointment hereunder until the Credit Provider assents to such request. When a Credit Enhancement expires in accordance with its terms, is terminated by the county or is replaced by a substitute Credit Enhancement, the Registrar shall immediately surrender the Credit Enhancement to the Credit Provider; provided, that the Registrar shall not surrender the Credit Enhancement until all draws permitted on the Credit Enhancement in accordance with its

terms that are required hereby have been funded.

g. The Registrar shall not terminate or reduce the amount available under a Credit Enhancement except by reason of (1) the redemption, cancellation and/or defeasance of Bonds secured thereby; (2) the Conversion of Bonds secured thereby to an Interest Rate Mode that is not covered by the Credit Enhancement; or (3) a substitute Credit Enhancement is delivered and becomes effective.

h. While a Credit Enhancement is in effect, the Registrar shall draw on the Credit Enhancement in accordance with its terms so as to receive thereunder not later than 1:00 p.m., New York City time, on each Interest Payment Date and principal payment date, an amount, in immediately available funds, equal to the amount of interest and principal payable on the Bonds secured thereby on the Interest Payment Date and principal payment date. If the Credit Provider fails to fund a conforming draw on the Credit Enhancement, the Registrar shall promptly notify the county, demand payment by the county, and pay when due the amount of interest and principal payable on the Bonds secured thereby on the Interest Payment Date and principal payment date from amounts on deposit in the Multi-Modal LTGO/Sewer Revenue Bond Fund in accordance with the terms hereof. Proceeds of draws on the Credit Enhancement shall be deposited in the Credit Facility Fund and shall be applied to pay principal of and interest on the Bonds secured thereby prior to the application of any other funds held by the Registrar therefor. Notwithstanding the foregoing, (1) if the Credit Provider and the Liquidity Provider are the same entity, the Registrar shall not draw on the Credit Enhancement to make any payments on Bank Bonds; and (2) in no event shall the Registrar draw on the Credit Enhancement to make any payments on Bonds held by the county.

i. While a Credit Enhancement is in effect, the Registrar shall establish, maintain and hold in trust a special fund designated as the "Credit Facility Fund" for the benefit of the Registered Owners of Bonds secured thereby. The Registrar shall deposit in the Credit Facility Fund all money from draws on the Credit Enhancement for the purpose of paying when due the principal of and interest on Bonds secured thereby. Money in the Credit Facility Fund shall be held uninvested, separate and apart from all other funds and

accounts and shall not be commingled with any other money. Money in the Credit Facility Fund shall be withdrawn by the Registrar from the Credit Facility Fund and applied to the payment of the principal of and interest on Bonds secured thereby on each Interest Payment Date and principal payment date.

j. Whenever the consent of the Registered Owners is required, the consent of each Credit Provider shall also be required unless otherwise expressly provided herein. Each Credit Provider shall be deemed to be the Registered Owner of all Bonds secured by the Credit Enhancement for purposes of granting consent.

k. All provisions herein relating to the rights of each Credit Provider shall be of no force and effect if (1) there is no Credit Enhancement in effect and all amounts payable to the Credit Provider under the Credit Enhancement or any related Credit Facility Agreement have been satisfied; or (2) a Credit Provider Failure has occurred and is continuing.

## 2. **Liquidity Facilities.**

a. **Delivery of a Liquidity Facility.** The county may, in its sole option, maintain or deliver a Liquidity Facility or otherwise make funds available to the Tender Agent pursuant to a Liquidity Facility to provide for the purchase of one or more series of the Bonds upon their optional tender for purchase or mandatory tender for purchase. Any Liquidity Facility that secures payment of the Purchase Price of one or more series of Daily Rate Bonds, Weekly Rate Bonds or Short-Term Rate Bonds shall be in an amount equal to the Required Stated Amount with a term of not less than 360 days after the Liquidity Facility Date. In each case where a Liquidity Facility is to be delivered to the Tender Agent (including the delivery of a new Liquidity Facility in substitution for an existing Liquidity Facility), the Liquidity Facility shall become effective only if the Bonds to be secured thereby have been successfully purchased and remarketed on the Purchase Date. Upon delivery of a Liquidity Facility, together with the Supporting Liquidity Facility Documents described below, the Tender Agent shall accept the Liquidity Facility and, upon such acceptance, the Liquidity Facility shall be the Liquidity Facility and the issuer of the Liquidity Facility shall be the Liquidity Provider for all purposes hereof.



**b. Mandatory Tender for Purchase of Bonds in Connection with Delivery of a**

**Liquidity Facility.** If a Liquidity Facility is delivered and accepted, the Bonds to be secured thereby shall be subject to mandatory tender for purchase on the Liquidity Facility Date. If an existing Liquidity Facility is in effect on the Liquidity Facility Date, funds for the purchase of the Bonds tendered on the Liquidity Facility Date shall be made available in accordance with the terms of the Liquidity Facility then in effect and not the substitute Liquidity Facility to be delivered on the Liquidity Facility Date.

**c. Notice of Delivery of a Liquidity Facility, Conditional Mandatory Tender of Bonds.**

The county shall give Electronic Notice of the proposed delivery of a Liquidity Facility and the proposed Liquidity Facility Date to the Registrar, the Tender Agent, the Remarketing Agent, the Credit Provider, if any, and the Liquidity Provider, if any, not less than five days (or such shorter period as shall be acceptable to the applicable parties) prior to the date on which the Registrar is required to provide notice to the Registered Owners. The Registrar shall give Electronic Notice, confirmed by first class mail, of the proposed delivery of a Liquidity Facility and the proposed Liquidity Facility Date to each Registered Owner not less than 15 days prior to the proposed Liquidity Facility Date at their addresses as they appear on the Bond Register as of the date of notice of the proposed delivery of a Liquidity Facility is received by the Registrar from the county. The notice shall include the information required for a mandatory tender for purchase specified in Section F.4. of this motion. The notice shall also state that the mandatory tender for purchase will not occur if, on or prior to the proposed Liquidity Facility Date, the Tender Agent does not receive the Liquidity Facility, together with the Supporting Liquidity Facility Documents. If, because the conditions to the mandatory tender for purchase are not satisfied, no mandatory tender for purchase occurs on the proposed Liquidity Facility Date, (1) the Tender Agent give notice thereof to the Registrar; (2) the Registrar shall give Electronic Notice thereof, confirmed by first class mail, to the Registered Owners at their addresses as they appear on the Bond Register as of the date of such notice; and (3) the Tender Agent shall return to the Registered Owners any Bonds tendered to the Tender Agent in connection with such mandatory tender for purchase.

d. **Expiration and Termination.** The county may elect at any time, in accordance with the terms of a Liquidity Facility or related Liquidity Facility Agreement, (1) to permit the Liquidity Facility to expire without delivering a substitute Liquidity Facility; or (2) to terminate the Liquidity Facility prior to its Expiration Date.

e. **Supporting Liquidity Facility Documents.** In connection with the delivery of a Liquidity Facility after the Closing Date, the county shall deliver, or shall cause to be delivered, the following documents ("the Supporting Liquidity Facility Documents"):

(1) written evidence from each Rating Agency of the rating to be assigned by the Rating Agency to the Bonds following the delivery of the Liquidity Facility;

(2) a written opinion of counsel to the Liquidity Provider, addressed to the Registrar and the Tender Agent, to the effect that the Liquidity Facility is the legal, valid and binding obligation of the Liquidity Provider, enforceable against the Liquidity Provider in accordance with its terms (subject to customary exceptions relating to bankruptcy, insolvency and rights of creditors generally and to specific performance and equitable remedies);

(3) an opinion of Bond Counsel to the effect that the delivery of the Liquidity Facility will not, in and of itself, cause interest on the Bonds to be secured thereby to be includable in gross income for federal income tax purposes; and

(4) if applicable, the written acknowledgment of the Liquidity Provider of the Liquidity Facility then in effect that all conditions precedent to termination of the Liquidity Facility then in effect that are set forth in the Liquidity Facility then in effect or in any related Liquidity Facility Agreement have been fulfilled (or provision satisfactory to the Liquidity Provider has been made for such fulfillment).

f. The Tender Agent shall not terminate or reduce the amount available under a Liquidity Facility except by reason of (1) the redemption, cancellation and/or defeasance of Bonds secured thereby; (2) the Conversion of Bonds secured thereby to an Interest Rate Mode that is not covered by the Liquidity Facility;

or (3) a substitute Liquidity Facility is delivered and becomes effective.

**I. Required Liquidity Payments and Optional Liquidity Payments.**

1. **Required Liquidity Payments.** The county shall duly and punctually pay or cause to be paid to the Tender Agent, for deposit in the County Purchase Account of the Purchase Fund, as and when due, and in the amounts required to provide money for the payment of the Purchase Price of Bonds tendered or deemed tendered for purchase and not remarketed pursuant to the terms hereof on the following Purchase Dates:

- a. each Purchase Date for Daily Rate Bonds if a Liquidity Facility is not in effect;
- b. each Purchase Date for Weekly Rate Bonds if a Liquidity Facility is not in effect;
- c. each Purchase Date for Direct Purchase Rate Bonds designated as such in the Direct Purchase Agreement;
- d. each Short-Term Rate Mandatory Purchase Date if a Liquidity Facility is not in effect with respect to such Short-Term Rate Bonds; and
- e. each Long-Term Rate Mandatory Purchase Date if a Liquidity Facility is not in effect.

Collectively, subsection 1.a. through e. of this section are referred to as the "Required Liquidity Payments."

2. **Optional Liquidity Payments.** The county may elect, in its discretion, to pay or cause to be paid to the Tender Agent, for deposit in the County Purchase Account of the Purchase Fund, the amounts required to provide money for the payment of the Purchase Price of Bonds tendered or deemed tendered for purchase and not remarketed pursuant to the terms hereof on any Purchase Date other than a Purchase Date on which the county is required to make a Required Liquidity Payment. Each such payment is referred to as an "Optional Liquidity Payment."

3. The failure of the county to make a Required Liquidity Payment as and when due shall constitute a default. The failure of the county to make an Optional Liquidity Payment as and when needed shall not constitute a default.

**J. Authorization of Bonds.** The issuance of the Bonds, designated as the county's Multi-Modal

Limited Tax General Obligation Refunding Bonds (Payable from Sewer Revenue), Series 2015A, in the aggregate principal amount of \$50,000,000, and Multi-Modal Limited Tax General Obligation Refunding Bonds (Payable from Sewer Revenue), Series 2015B, in the aggregate principal amount of \$50,000,000, as Multi-Modal LTGO/Sewer Revenue Bonds, to refund the Refunded Bonds, is hereby ratified and confirmed.

The Bonds shall be dated their date of issue and delivery and shall be in the form attached as Attachment B to this motion. The Bonds shall be issued as Tax-Exempt Bonds. The Bonds shall conform in all respects to the terms and conditions specified in the Bond Ordinance and this motion.

K. **Satisfaction of Parity Conditions.** In accordance with the provisions of the ordinances authorizing the issuance of the currently outstanding obligations of the System, which permit the issuance of Multi-Modal LTGO/Sewer Revenue Bonds upon compliance with the conditions set forth therein, the council finds and determines, as follows:

1. The Bonds are issued for a lawful purpose of the county related to the System.
2. There is no default in the payment of the principal of or interest on any Parity Bonds, Parity Lien Obligations, Junior Lien Obligations, Multi-Modal LTGO/Sewer Revenue Bonds, Subordinate Lien Obligations, Public Works Trust Fund Loans or SRF Loans.
3. The county will have on file on the Closing Date a certificate of the Finance Director showing that Net Revenue in any 12 consecutive months out of the most recent 18 months preceding the Closing Date, based on financial statements of the System prepared by the county and after deducting therefrom the Senior Lien Payments required in each calendar year during the life of the Bonds, is at least equal to 1.10 times the Annual Debt Service for the Bonds, any other then outstanding Multi-Modal LTGO/Sewer Revenue Bonds and all then outstanding Junior Lien Obligations in each year during the life of the Bonds.

The applicable conditions for the issuance of Multi-Modal LTGO/Sewer Revenue Bonds having been complied with in connection with the issuance of the Bonds, the pledge contained in the Bond Ordinance of Revenue of the System to pay and secure the payment of the Bonds will constitute a lien and charge on

Revenue of the System equal in rank with the lien and charge on the Revenue of the System to pay and secure the payment of the Multi-Modal LTGO/Sewer Revenue Bonds.

L.     **Designation as Refunding Candidates.** The Bonds are hereby designated as "Refunding Candidates" for purposes of ordinances of the county authorizing the issuance of bonds to refund outstanding obligations of the county payable from Revenue of the System.

M.     **Continuing Disclosure Undertaking.** In accordance with Section 25 of the Bond Ordinance, if and to the extent required by paragraph (b)(5) of Rule15c2-12, the Finance Director, on behalf of the county, is authorized and directed to enter into one or more Undertakings for continuing disclosure for one or more series the Bonds.

N.     **Further Authority.** The county officials and their agents, attorneys and representatives are hereby authorized and directed to do everything necessary for the sale, issuance, execution, delivery and remarketing of the Bonds and for the proper use and application of the proceeds of the Bonds, all in accordance with the provisions of the Bond Ordinance and this motion.

O.     **Severability.** If any provision in this motion is declared by any court of competent jurisdiction to be contrary to law, then that provision shall be null and void and shall be deemed separable from the remaining provisions of this motion and shall in no way affect the validity of the other provisions of this motion or of the Bonds.