

NOTICE OF DIRECT PLACEMENT

**DISTRICT OF COLUMBIA
(WASHINGTON, D.C.)**

\$99,985,000

**DISTRICT OF COLUMBIA
MULTIMODAL GENERAL OBLIGATION BONDS, SERIES 2014A
(The "Series 2014A Bonds")**

AND

\$224,315,000

**DISTRICT OF COLUMBIA
MULTIMODAL GENERAL OBLIGATION BONDS, SERIES 2014B
(The "Series 2014B Bonds")**

NOTICE IS HEREBY GIVEN, that the above-referenced bonds (together, the "**Series 2014A-B Bonds**") were issued by the District of Columbia (the "**District**") on June 26, 2014 (the "Issuance Date"), pursuant to and in accordance with the Master Trust Indenture, dated as of December 1, 2004 (the "**Master Trust Indenture**"), as amended and supplemented, and particularly as amended and supplemented by the Eighth Supplemental Trust Indenture, dated June 1, 2014 (the "**Eighth Supplemental Indenture**," and together with the Master Trust Indenture, the "**Indenture**"), each by and between the District and Wells Fargo Bank, N.A., as trustee (the "**Trustee**").

The proceeds of the Series 2014A Bonds were used to provide funds to finance a portion of the District's fiscal year 2014 Capital Improvements Program. The proceeds of the Series 2014B Bonds were used to provide funds to (i) refund all of the District's outstanding \$67,195,000 Multimodal General Obligation Refunding Bonds, Series 2008C-1 and \$157,105,000 Multimodal General Obligation Refunding Bonds, Series 2008C-2 and (ii) finance a portion of the District's fiscal year 2014 Capital Improvements Program.

Contemporaneously with the issuance of the Series 2014A-B Bonds, the District entered into (i) the Series 2014A Continuing Covenants Agreement, dated as of June 1, 2014 (the "**Series 2014A Continuing Covenants Agreement**"), pursuant to which Banc of America Preferred Funding Corporation, a wholly-owned subsidiary of Bank of America Corporation (the "**Purchaser**") purchased directly from the District all of the Series 2014A Bonds and (ii) the Series 2014B Continuing Covenants Agreement, dated as of June 1, 2014 (the "**Series 2014B Continuing Covenants Agreement**" and, together with the Series 2014A Continuing Covenants Agreement, the "**Continuing Covenants Agreements**"), pursuant to which the Purchaser purchased directly from the District all of the Series 2014B Bonds. **The Purchaser is entitled to all rights and privileges accorded all Bondholders under the Master Trust Indenture (including the right to receive payments of principal or accrued interest with respect to the Series 2014A-B Bonds).**

Attached hereto are redacted copies of the Continuing Covenants Agreements and the Eighth Supplement Indenture.

The enclosed electronic (PDF) document has been created by scanning an original paper document. Optical Character Recognition (OCR) has been used to create searchable text. OCR technology is not perfect, and therefore some words present in the original document image may be missing, altered or may run together with adjacent words in the searchable text.

***CONTINUING COVENANT AGREEMENT
MULTIMODAL GENERAL OBLIGATION BONDS,
SERIES 2014A***

CONTINUING COVENANTS AGREEMENT

between

DISTRICT OF COLUMBIA

and

BANC OF AMERICA PREFERRED FUNDING CORPORATION

Dated as of June 1, 2014

DISTRICT OF COLUMBIA
MULTIMODAL GENERAL OBLIGATION BONDS,
SERIES 2014A

TABLE OF CONTENTS

SECTION	HEADING	PAGE
SECTION 1.	DEFINITIONS; INTERPRETATION	1
SECTION 2.	PURCHASE OF THE SERIES 2014A BONDS; PAYMENT OBLIGATIONS	10
SECTION 3.	RENEWAL	12
SECTION 4.	METHOD OF PAYMENT	12
SECTION 5.	REDEMPTION	12
SECTION 6.	CERTAIN SECURITY GRANTED BY THE DISTRICT	12
SECTION 7.	CONDITIONS PRECEDENT	13
SECTION 8.	REPRESENTATIONS AND WARRANTIES OF THE DISTRICT	15
SECTION 9.	AFFIRMATIVE COVENANTS OF THE DISTRICT	18
SECTION 10.	NEGATIVE COVENANTS OF THE DISTRICT	21
SECTION 11.	EVENTS OF DEFAULT AND REMEDIES	22
SECTION 12.	INCREASED COSTS	24
SECTION 13.	TAXES	26
SECTION 14.	COSTS AND EXPENSES	27
SECTION 15.	OBLIGATIONS ABSOLUTE	28
SECTION 16.	LIABILITY OF THE BANK	28
SECTION 17.	INDEMNITY, COSTS AND EXPENSES	29
SECTION 18.	SUCCESSORS, ASSIGNS AND PARTICIPANTS	29
SECTION 19.	CALCULATIONS	30
SECTION 20.	EXTENSION OF MATURITY	31
SECTION 21.	SURVIVAL OF THIS AGREEMENT	31

SECTION 22.	MODIFICATION OF FINANCING DOCUMENTS	31
SECTION 23.	NO WAIVER OF RIGHTS BY THE BANK	31
SECTION 24.	SEVERABILITY	32
SECTION 25.	GOVERNING LAW; VENUE	32
SECTION 26.	WAIVER OF SPECIAL DAMAGES	32
SECTION 27.	ANTI-TERRORISM LAWS	32
SECTION 28.	NOTICE	33
SECTION 29.	HEADINGS.....	34
SECTION 30.	COUNTERPARTS	34
SECTION 31.	ENTIRE AGREEMENT	34
SECTION 32.	OTHER COSTS AND EXPENSES.....	34
SECTION 33.	EVIDENCE OF DEBT	35
SECTION 34.	NO FIDUCIARY RELATIONSHIP	35
SECTION 35.	RIGHTS CUMULATIVE	36
SECTION 36.	INTEREST LIMITATION	36

CONTINUING COVENANTS AGREEMENT

This CONTINUING COVENANTS AGREEMENT (this “*Agreement*”) is dated as of June 1, 2014, by and between THE DISTRICT OF COLUMBIA (the “*District*”) and BANC OF AMERICA PREFERRED FUNDING CORPORATION.

BACKGROUND

A. The District will issue the \$99,985,000 District of Columbia Multimodal General Obligation Bonds, Series 2014A (the “*Series 2014A Bonds*”). The issuance of the Series 2014A Bonds is authorized pursuant to the General Obligation Bonds and Bond Anticipation Notes for Fiscal Years 2013-2018 Authorization Act of 2012, D.C. Law 19-231, effective March 19, 2013 (the “*Bond Act*”), and the Fiscal Year 2014 Income Tax Secured Revenue Bonds and General Obligation Bond Issuance Approval Resolution of 2013, R20-321, effective November 5, 2013.

B. As an inducement to the Bank to purchase the Series 2014A Bonds, the District now desires to enter into this Agreement to set forth certain representations, warranties, covenants and agreements regarding the District.

NOW, THEREFORE, in consideration of the foregoing and the undertakings herein set forth and intending to be legally bound, the parties hereto agree as follows:

SECTION 1. DEFINITIONS; INTERPRETATION.

As used in this Agreement, the terms defined in this Section 1 or elsewhere in this Agreement (including the preamble hereto and the recitals above) have the respective meanings indicated. Defined terms are capitalized throughout this Agreement, unless otherwise indicated. Any capitalized terms used herein which are not specifically defined herein shall have the same meanings herein as in the Indenture:

“*Affiliate*” means a corporation, partnership, association, joint venture, business trust or similar entity organized under the laws of any state that directly, or indirectly through one (1) or more intermediaries Controlled by the Bank, Controls or is Controlled by, or is under common Control with, the Bank.

“*Agreement*” shall mean this Continuing Covenants Agreement dated as of June 1, 2014, as amended, supplemented or otherwise modified in accordance with the terms hereof.

“*Amendment Fee*” shall have the meaning set forth in Section 31 hereof.


“*Anti-Terrorism Law*” shall mean any law applicable to the District relating to terrorism or money laundering, including Executive Order No. 13224 and the USA Patriot Act.

“*Applicable Law*” shall mean (i) all applicable common law and principles of equity and (ii) all applicable provisions of all (A) constitutions, statutes, rules, regulations and orders of all

governmental and non governmental bodies, (B) Governmental Approvals and (C) orders, decisions, and judgments and decrees of all courts (whether at law or in equity), applicable to the parties.

“*Applicable Spread*” means a rate per annum associated with the Level corresponding to the lowest long-term unenhanced debt rating(s) assigned by any of Moody’s, Fitch or S&P to any Parity Debt (each, a “*Rating*”), as specified below.

LEVEL	MOODY’S RATING	S&P RATING	FITCH RATING	APPLICABLE SPREAD
				

In the event of split Ratings (*i.e.*, one of the Rating Agencies’ Rating is at a different level than the Rating of another Rating Agency), the Applicable Spread shall be based upon the Level in which the lowest Rating(s) appears. Any change in the Applicable Spread resulting from a change in a Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to Ratings above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system, the ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system that most closely approximates the applicable rating category as currently in effect. The Borrower acknowledges that as of the Initial Index Rate Closing Date the Applicable Spread is that specified above for Level 1. Anything herein to the contrary notwithstanding, in the event the Citi Bonds are not repaid, redeemed or defeased in full prior to the date that is 90 days after the Initial Index Rate Closing Date, the Applicable Spread shall increase by  from the per annum rate otherwise in effect until such time as the Citi Bonds are repaid, redeemed or defeased in full.

“*Authorized Delegate*” shall mean the Chief Financial Officer, or any officer or employee of the executive office of the Mayor to whom the Mayor has delegated or to whom the foregoing individuals have subdelegated any of the Mayor’s functions under Section 422(6) of the Home Rule Act.

“*Bank*” shall mean, initially, Banc of America Preferred Funding Corporation, a Delaware corporation, and its successors and assigns, and any Bank Transferee pursuant to the provisions of Section 18(b) hereof.

“*Bank Transferee*” shall have the meaning set forth in Section 18(b) of this Agreement.

“*Base Rate*” shall mean, for any day, a fluctuating rate of interest per annum equal to the greatest of (i) the Prime Rate in effect at such time *plus* one percent (1.00%), (ii) the Federal Funds Rate in effect at such time *plus* two percent (2.00%), (iii) the SIFMA Index in effect at such time *plus* two percent (2.00%), and (iv) seven percent (7.00%).

“*Bond Act*” shall have the meaning ascribed to such term in the recitals hereto.

“*Bondholder*” means the Bank, any Bank Transferee and any Non-Bank Transferee.

“*Business Day*” shall mean any day which is not (i) a Saturday or a Sunday, (ii) another day of the year on which banks in the District of Columbia or the state of New York are required or authorized by law or by executive order to close, or (iii) a day on which banking institutions in the city in which the principal office designated by the Bank for receipt of payments on the Series 2014A Bonds or the city where the office of the Trustee is located, are required or authorized to remain closed.

“*CCA Event of Default*” shall have the meaning set forth in Section 11 of this Agreement.

“*Certificate for Reimbursement*” shall have the meaning set forth in Section 12(c) of this Agreement.

“*Certificate of Tax Reimbursement*” shall have the meaning set forth in Section 13(c) of this Agreement.

“*Change in Law*” shall mean the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any Applicable Laws, (b) any change in any Applicable Laws or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, ruling, guideline, regulation or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, ruling, guidelines, regulations or directives thereunder or issued in connection therewith and (ii) all requests, rules, rulings, guidelines, regulations or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “*Change in Law*”, regardless of the date enacted, adopted or issued.

“*Citi Agreement*” means the Bondholder Agreement dated as of October 1, 2012, between Citibank, N.A., and the District, as the same may be amended, supplemented or modified.

“*Citi Bonds*” means the District’s Multimodal General Obligation Refunding Bonds, Series 2008A and Series 2008D.

“*Code*” shall mean the Internal Revenue Code of 1986, as amended from time to time, and the regulations and rulings issued thereunder.

“*Computation Date*” means Wednesday of each week, or if any Wednesday is not a Business Day, the next preceding Business Day.

“*Control*” or any variant thereof means the ownership of, or power to vote (i) 51% of the outstanding capital stock of a corporation, the membership interests of a limited liability company, or the partnership interests of a partnership; or (ii) 100% of the membership interests of the managing members of a limited liability company or of the partnership interests of the general partners of a partnership.

“*Default*” shall mean any occurrence, circumstance or event, or any combination thereof, which, with the lapse of time and/or giving of notice, would constitute a CCA Event of Default.

“*Default Rate*” shall mean, for any day, a rate of interest per annum equal to the sum of the Base Rate in effect on such day plus three percent (3.00%); *provided* that subject to the provisions of Section 36 hereof, the Default Rate shall not exceed the Maximum Rate.

“*District*” shall mean the District of Columbia, a body corporate, its successors and assigns.

“*ERISA*” shall mean the Employee Retirement Income Security Act of 1974, as now in effect or as hereinafter amended, and the regulations and rulings issued thereunder.

“*Excess Interest*” shall mean the amount of interest that would be payable on the Series 2014A Bonds (calculated at the interest rate under the Indenture) if the Maximum Rate did not apply, to the extent such amount is greater than the amount of interest calculated at the Maximum Rate.

“*Excess Interest Commencement Date*” shall have the meaning set forth in Section 36 hereof.

“*Executive Order No. 13224*” shall mean the Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, as the same has been, or shall hereafter be, renewed, extended, amended or replaced.

“*Excluded Taxes*” shall mean, with respect to the Bank, (i) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which the Bank is organized or in which its principal office is located, and (ii) any branch profits taxes imposed by the United States or any similar tax imposed by the District of Columbia.

“*FASB*” shall mean the Financial Accounting Standards Board of the Financial Accounting Foundation or any successor thereto.

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

“Final Initial Index Rate Mandatory Repurchase Date” means June 23, 2017.

“Financing Documents” shall mean, collectively, this Agreement, the Series 2014A Bonds and the Indenture.

“Fitch” shall mean Fitch, Inc., its successor and assigns.

“GAAP” shall mean accounting principles generally accepted in the United States as applied to local government units as prescribed by the pronouncements of the GASB and the FASB, consistently applied and maintained throughout the period indicated and consistent with the prior financial practice of the District, except for changes permitted by GASB, FASB or any similar accounting authority of comparable standing.

“GASB” shall mean the Governmental Accounting Standards Board of the Financial Accounting Foundation or any successor thereto.

“Governmental Approvals” shall mean an applicable authorization, consent, approval, license, or exemption of, registration or filing with, or report to any Governmental Authority.

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

“Included Taxes” shall mean Taxes other than Excluded Taxes.

“Indenture” shall mean the Master Indenture, as supplemented by the Supplemental Indenture, and as the Master Indenture may be further amended, supplemented or modified from time to time in accordance with the terms thereof to the extent such amendment, supplement or modification relates to or affects the Series 2014A Bonds.

“Index Rate Mode” shall have the meaning given such term in the Supplemental Indenture.

“Initial Index Rate Closing Date” shall mean the date on which the Series 2014A Bonds are purchased by the Bank.

“Initial Index Rate Mandatory Repurchase Date” means, initially, June 26, 2015; and if on June 26, 2015 the conditions forth in Section 7(b) are satisfied, the Initial Index Rate Mandatory Repurchase Date shall mean June 24, 2016; and if on June 24, 2016, the conditions set forth in Section 7(b) are satisfied, the Initial Index Rate Mandatory Repurchase Date shall mean the Final Initial Index Rate Mandatory Repurchase Date; *provided*, that in no event shall the Initial Index Rate Mandatory Repurchase Date extend beyond the Final Initial Index Rate Mandatory Repurchase Date

“Initial Term Loan Payment Date” means the first Business Day of the sixth (6th) full calendar month immediately following the Initial Index Rate Mandatory Repurchase Date.

“Interest Rate Mode” shall have the meaning given such term in the Supplemental Indenture.

“Interest Payment Date” shall mean the first Business Day of each calendar month.

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

“Majority Bondholder” means Bondholders owning more than 50% of the aggregate principal amount of the Series 2014A Bonds from time to time. As of the Initial Index Rate Closing Date, Banc of America Preferred Funding Corporation shall be the Majority Bondholder.

“Mandatory Tender Repurchase Price” shall mean an amount equal to 100% of the aggregate principal amount of the Series 2014A Bonds subject to mandatory repurchase on the Initial Index Rate Mandatory Repurchase Date and accrued interest thereon, if applicable.

“Master Indenture” shall mean the Master Trust Indenture, dated as of December 1, 2004, by and between the District and the Trustee.

“Maximum Rate” shall mean an interest rate per annum equal to the lesser of (a) the maximum non-usurious rate of interest on the relevant obligation permitted by applicable law, and (b) twelve percent (12%).

“Minimum Bond Rating” shall mean “BBB” by Fitch, “Baa2” by Moody’s or “BBB” by S&P.

“Moody’s” shall mean Moody’s Investors Service, Inc., its successors and assigns.

“Non-Bank Transferee” shall have the meaning set forth in Section 18(c) of this Agreement.

“Obligations” shall mean all amounts payable by the District, and all other obligations to be performed by the District, pursuant to this Agreement and the other Financing Documents (including, without limitation, all Payment Obligations and obligations of the District to pay any amounts to reimburse the Bank for any advances or expenditures by it under any of such documents).

“OFAC” shall have the meaning set forth in Section 27(b)(iv) hereof.

“Optional Redemption Premium” shall mean a dollar amount that is the product of (i) the Applicable Spread in effect on any date prior to the first anniversary of the Initial Index Rate Closing Date on which all or any portion of the Series 2014A Bonds are redeemed or the interest rate on the Series 2014A Bonds is converted to a rate other than the SIFMA Index Rate, (ii) the principal amount of the Series 2014A Bonds so redeemed or converted, and (iii) a fraction, the numerator of which is the number of days from and including the date of redemption or conversion to and including such first anniversary, and the denominator of which is 365.

“Other Taxes” means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies charged or levied against the District arising from any payment made hereunder or under any other Financing Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Financing Document.

“Parity Debt” shall mean general obligation bonds, bond anticipation notes and similar obligations of the District payable and secured on parity with the Series 2014A Bonds.

“Participant” shall have the meaning set forth in Section 18(d) of this Agreement.

“Payment Obligations” shall have the meaning set forth in Section 2(g) of this Agreement.

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

“Prime Rate” shall mean on any day, the rate of interest in effect for such day as publicly announced from time to time by Bank of America, N.A. as its “prime rate.” The “*prime rate*” is a rate set by Bank of America, N.A. based upon various factors including Bank of America, N.A.’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by Bank of America, N.A. shall take effect at the opening of business on the day specified in the public announcement of such change.

“Purchaser Rate” means a fluctuating interest rate per annum which, for each day, shall equal (i) for the period from and including the Final Initial Index Rate Mandatory Repurchase Date to and including the ninetieth (90th) day immediately succeeding the Final Initial Index Rate Mandatory Repurchase Date, the Base Rate from time to time in effect and (ii) for the period from and after the ninety-first (91st) day immediately succeeding the Final Initial Index Rate Mandatory Repurchase Date, the Base Rate from time to time in effect *plus* one percent (1.0%); *provided* that subject to the provisions of Section 36 hereof, the Purchaser Rate shall not exceed the Maximum Rate; and, *provided further, that* if a CCA Event of Default has occurred and is continuing, the Purchaser Rate shall equal the Default Rate; *provided even further, that* if the District has not repaid, redeemed or caused the defeasance of Citi Bonds in full on or prior to the date that is ninety (90) days from the Initial Index Rate Closing Date, the Purchaser Rate so in effect at that time shall be increased by an additional 0.75% until such time as the Citi Bonds are paid or redeemed in full or fully defeased.

“Rating Agency” shall have the meaning set forth in the Supplemental Indenture.

“Recaptured Interest” shall mean an amount equal to the difference between (i) the amount of interest that would have accrued on the Series 2014A Bonds if interest had been calculated at the Maximum Rate during a fiscal year, and (ii) the amount of interest that actually accrued on the Series 2014A Bonds at interest rates lower than the Maximum Rate for such fiscal year.

“Recaptured Interest Commencement Date” shall have the meaning set forth in Section 36 hereof. *“Series 2014A Bonds”* shall have the meaning ascribed to such term in the recitals hereto.

“SIFMA Index” means, for any Computation Date, the level of the index which is issued weekly and which is compiled from the weekly interest rate resets of tax-exempt variable rate issues included in a database maintained by Municipal Market Data which meet specific criteria established from time to time by SIFMA and issued on Wednesday of each week, or if any Wednesday is not a Business Day, the next preceding Business Day. If the SIFMA Index is no longer published, then *“SIFMA Index”* shall mean the S&P Weekly High Grade Index. If the S&P Weekly High Grade Index is no longer published, then *“SIFMA Index”* shall mean the prevailing rate determined by Bank of America, N.A. for tax-exempt state and local government bonds meeting criteria determined in good faith by Bank of America, N.A. 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 a per annum rate of interest established on each Computation Date and effective on the next succeeding SIFMA Index Reset Date equal to the sum of the Applicable Spread plus the SIFMA Index.

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

“*Supplemental Indenture*” shall mean the Eighth Supplemental Trust Indenture dated as of June 1, 2014, as the same may be further amended, supplemented or modified from time to time in accordance with the terms thereof.

“*Swap Policy*” shall mean the swap policy delivered to the Bank pursuant to Section 7(o) hereof.

“*Taxable Date*” shall mean the date as of which interest on the Series 2014A Bonds is first includable in the gross income of the Bank as a result of the District’s actions or the District’s failure to take action, as determined pursuant to (i) a written opinion by a nationally recognized firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance, (ii) the entry of a final decree or judgment of any federal court or the issuance by the Internal Revenue Service of a final determination letter that is delivered to the Issuer, or (iii) the execution of a closing agreement with the IRS or other relevant government agency (or any settlement agreement, however denominated) that treats the interest on the Series 2014A Bonds as other than excludable from gross income.

“*Taxable Payments*” shall mean (i) an amount equal to the positive difference between (A) the amount of interest paid on the Series 2014A Bonds during the Taxable Period, and (B) the amount of interest that would have been paid during such Taxable Period had the Series 2014A Bonds borne interest at the Taxable Rate, plus (ii) subject to Section 14, an amount equal to any interest, penalties or charges owed by the Bank as a result of interest on becoming includable in the gross income of the Bank, as a result of the District’s actions or the District’s failure to take action, together with any and all attorneys’ fees, court costs, or other out-of-pocket costs incurred by the Bank in connection therewith in an amount to be determined and mutually agreed upon by the parties at such time.

“*Taxable Period*” shall mean the period of time during which interest on the Series 2014A Bonds is includable in the gross income of the applicable Bondholder, which period shall commence with the Taxable Date.

“*Taxable Rate*” shall mean, with respect to a Taxable Period, the product of (i) interest rate on the Series 2014A Bonds during such period and (ii) 1.54; *provided* that subject to the provisions of Section 36 hereof, the Taxable Rate shall not exceed the Maximum Rate.

“*Taxes*” shall mean all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority as a result of the actions of the District or the District’s failure to act, including any interest, fines, additions to tax or penalties applicable thereto.

“*Term Loan End Date*” means the earliest to occur of (a) the third (3rd) anniversary of the Initial Index Rate Mandatory Repurchase Date, (b) the date on which the interest rate on all of the Series 2014A Bonds have been converted to an interest rate other than the SIFMA Index Rate and (c) the date on which all Bonds are redeemed, repaid, prepaid or cancelled in accordance with the terms of the Indenture.

“Term Loan Period” shall mean the period of time beginning on the Initial Index Rate Mandatory Repurchase Date and ending on the Term Loan End Date.

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

“Trust Estate” shall have the meaning given such term in the Indenture.

“Trustee” shall mean Wells Fargo Bank, N.A., a national banking association, solely in its capacity as trustee, paying agent and tender agent under the Indenture. Except as otherwise provided herein, the Trustee shall be deemed to be acting as the “Paying Agent” and the “Tender Agent,” as such terms are defined in and used in the Indenture. All references herein to the “Trustee” are deemed to include references to the “Paying Agent” or the “Tender Agent” if the “Paying Agent” or the “Tender Agent”, rather than the Trustee, is authorized or required by the terms of the Indenture to take any actions attributed to the Trustee hereunder.

“USA Patriot Act” shall mean the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56, as the same has been, or shall hereafter be, renewed, extended, amended or replaced.

In this Agreement (i) in the computation of a period of time from a specified date to a later specified date, unless otherwise indicated, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding”; (ii) all accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles consistently applied, except as otherwise stated or defined herein; (iii) the singular includes the plural and the plural, the singular; (iv) words importing any gender include the other genders; (v) references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute to which reference is made and all regulations promulgated pursuant to such statutes; (vi) references to “writing” include printing, photocopy, typing, and other means of reproducing words in a tangible visible form; (vii) the words “including”, “includes” and “include” shall be deemed to be followed by the words “without limitation”; (viii) references to Sections (or sub-divisions of sections), Appendices and Schedules are to those of this Agreement unless otherwise indicated; (ix) references to agreements and other contractual instruments shall be deemed to include all subsequent amendments, modifications, changes and waivers to such instruments, but only to the extent that such amendments, modifications, changes and waivers are permitted or not prohibited by the terms of this Agreement or the affected agreement or contractual instruments; and (x) references to Persons include their respective permitted successors and assigns.

SECTION 2. PURCHASE OF THE SERIES 2014A BONDS; PAYMENT OBLIGATIONS.

(a) *Purchase of the Series 2014A Bonds.* The Bank agrees to purchase all (but not less than all) of the Series 2014A Bonds, upon the terms, subject to the conditions, and relying upon the representations and warranties of the District contained in the Financing Documents to which

it is a party. Upon purchasing the Series 2014A Bonds, the Bank shall be entitled to all rights and privileges accorded Bondholders (including the right to receive payments of principal or accrued interest with respect to the Series 2014A Bonds). Bondholders shall be recognized by the District and the Trustee as the true and lawful absolute owners of the Series 2014A Bonds, free from any claims, liens, security, interests, equitable interest and other interests of the District and the Trustee, except as such interests might exist under the terms of the Series 2014A Bonds with respect to all owners. The Bank shall hold the sole legal and beneficial interest in and to all the Series 2014A Bonds, subject to no lien, security interest, or claim of the District, or any Person claiming through the District, other than the Bank, except for consensual liens or other security interests as may be created by the Bank.

(b) *Index Rate.* The Series 2014A Bonds will bear interest at the SIFMA Index Rate as established in accordance with the terms hereof and the Supplemental Indenture.

(c) *Taxable Rate.* From and after a Taxable Date and during the Taxable Period, in addition to receiving interest on the Series 2014A Bonds at the Taxable Rate, the District shall pay to the Bank the Taxable Payments on each Interest Payment Date.

(d) *Default Rate.* From and after the occurrence of a CCA Event of Default hereunder, but only for so long as such CCA Event of Default shall be continuing, the Series 2014A Bonds and any other amounts due hereunder shall accrue interest at the Default Rate.

(e) *Initial Index Rate Mandatory Repurchase Date.* In the event the Bank has not received the Mandatory Tender Repurchase Price on the Initial Index Rate Mandatory Repurchase Date then in effect, the District shall cause the Series 2014A Bonds to be redeemed on such Initial Index Rate Mandatory Repurchase Date; *provided* that if the Bank has not received the Mandatory Tender Repurchase Price on the Final Initial Index Rate Mandatory Repurchase Date, and (i) no CCA Event of Default shall have occurred and be continuing and (ii) all representations and warranties are true and correct as of the Final Initial Index Rate Mandatory Repurchase Date, then during the Term Loan Period, the District shall cause the Series 2014A Bonds to be redeemed in equal (or nearly equal) semi annual principal installments on each Term Loan Payment Date and interest on the Series 2014A Bonds shall accrue at the Purchaser Rate payable monthly in arrears on each Interest Payment Date. The entire principal amount remaining unpaid, all accrued interest thereon and all other amounts payable to the Bank shall be repaid in full on the Term Loan End Date. Any amount of principal outstanding may be prepaid on any Interest Payment Date without penalty. Anything herein to the contrary notwithstanding, upon the occurrence of a CCA Event of Default prior to the Initial Index Rate Mandatory Repurchase Date then in effect, the District shall cause the Series 2014A Bonds to be redeemed on the later of (A) the then current Initial Index Rate Mandatory Repurchase Date and (B) the date that is 180 days after the occurrence of such CCA Event of Default.

(f) *Excess Interest.* If at any time the Index Rate, the Purchaser Rate, the Default Rate or the Taxable Rate payable on the Series 2014A Bonds or under this Agreement shall exceed the Maximum Rate for any day for which interest is payable, any Excess Interest arising on any Interest Payment Date shall be paid in accordance with Section 36.

(g) *Payment Obligations.* The obligations of the District to pay the Bank the principal of and interest on the Series 2014A Bonds as set forth in this Section 2, together with all interest due thereon (including the Mandatory Tender Repurchase Price, redemptions payable on any Term Loan Payment Date pursuant to subsection (e) above and Recaptured Interest payable pursuant to Section 36) are collectively referred to as the “Payment Obligations”.

SECTION 3. RENEWAL.

Upon the receipt of written notification from the District of its desire to change interest rate modes (including converting to another Index Rate Mode), the Bank will, not more than 60 days after such notification, notify the District in writing whether or not the Bank agrees to either purchase the Series 2014A Bonds in a new Index Rate Mode or provide liquidity or credit enhancement necessary to facilitate the conversion of the Series 2014A Bonds to another interest rate mode and the terms under which the Bank will purchase the Series 2014A Bonds or provide such liquidity or credit enhancement. If the Bank fails to notify the District of its decision within such 60 day period, the Bank shall be deemed to have rejected such request.

SECTION 4. METHOD OF PAYMENT.

All payments of principal, interest and purchase price of the Series 2014A Bonds shall be payable in accordance with the Indenture. All payments of fees and other amounts to be made by the District to the Bank under this Agreement shall be made not later than 12:00 noon (New York City time) on the date when due and shall be made in lawful money of the United States of America (in freely transferable U.S. dollars) and in immediately available funds at the Bank in New York City. All payments made after 12:00 noon (New York City time) shall be deemed to have been made on the next Business Day following the date when such payment was due.

SECTION 5. REDEMPTION.

The District may optionally redeem or convert the Series 2014A Bonds to another Interest Rate Mode (or to another Index Rate Mode) prior to the Initial Mandatory Purchase Date only on an Interest Payment Date and upon thirty (30) days prior written notice to the Bank and compliance with the provisions of the Indenture; *provided, however*, that if any such optional redemption or conversion occurs prior to the first anniversary of the Initial Index Rate Closing Date, the District shall pay to the Bank the Optional Redemption Premium.

SECTION 6. CERTAIN SECURITY GRANTED BY THE DISTRICT.

The Payment Obligations are general obligations of the District and the full faith and credit of the District are pledged to the payment thereof. The Payment Obligations are secured by a first priority security interest in the Trust Estate granted under the Indenture.

SECTION 7. CONDITIONS PRECEDENT.

(a) As conditions precedent to the obligation of the Bank to purchase the Series 2014A Bonds, the District shall have provided to the Bank, on or before the Initial Index Rate Closing Date:

(i) true and correct copies of all governmental approvals, if any, necessary for the District to execute, deliver and perform its obligations under the Financing Documents;

(ii) the written opinion of the Office of the Attorney General addressed to the Bank, dated the Initial Index Rate Closing Date and in form and substance satisfactory to the Bank;

(iii) the written opinion of Bond Counsel (as defined in the Indenture) and a reliance letter addressed to the Bank, dated the Initial Index Rate Closing Date and in form and substance satisfactory to the Bank;

(iv) a specimen copy of the Series 2014A Bonds and evidence that a CUSIP number has been obtained and reserved from Standard & Poor's CUSIP Services for the Series 2014A Bonds;

(v) a certificate dated as of the Initial Index Rate Closing Date of the District as to the incumbency of the signatories to each Financing Document to which it is a party and attaching copies of resolution(s) authorizing the execution, delivery and performance of such Financing Documents;

(vi) a certificate of the District, signed by an Authorized Delegate of the District, dated the Initial Index Rate Closing Date, stating that on the Initial Index Rate Closing Date: (A) the representations and warranties contained herein and in the Financing Documents are true and correct on and as of the Initial Index Rate Closing Date as though made on such date; (B) no CCA Event of Default has occurred and is continuing, or would result from the purchase of the Series 2014A Bonds by the Bank, the execution and delivery of this Agreement or any other Financing Document to which the District is a party, and no event has occurred and is continuing which would constitute a CCA Event of Default but for the requirement that notice be given or time elapse or both; and (C) there have been no material adverse changes in the affairs of the District, financial or otherwise, since the audited financial statements for the twelve-month period ending on September 30, 2013;

(vii) a covenant compliance certificate in form and substance satisfactory to the Bank;

(viii) executed counterparts of the Financing Documents;

(ix) receipt of all fees, costs and expenses payable to the Bank and its counsel as of the Initial Index Rate Closing Date by or on behalf of the District;

(x) audited financial statements of the District for the twelve-month period ending on September 30, 2013, in form and substance acceptable to the Bank and prepared in accordance with GAAP;

(xi) evidence of Federal authorization of the local portion of the District's adopted fiscal 2014 budget;

(xii) evidence satisfactory to the Bank that the District's unenhanced, long term debt ratings are at least "AA-", "Aa2" and "AA-" by S&P, Moody's and Fitch, respectively;

(xiii) evidence satisfactory to the Bank that there has been no amendment or proposed amendment to the Home Rule Act of the District of Columbia or any published administrative interpretation of the Home Rule Act of the District of Columbia or any District of Columbia law, or any published Attorney General of the District of Columbia opinion or judicial decision interpreting any of the foregoing, and there is no legislation that has passed by the Council of the District of Columbia, in each case, that could materially adversely affect the remarketing of any of the Series 2014A Bonds, any security for any of the Series 2014A Bonds or the District's ability to repay when due its obligations under this Agreement, any of the Series 2014A Bonds and the other Financing Documents, as determined by the Bank in its sole discretion;

(xiv) evidence satisfactory to the Bank that the District has received all consents, licenses, approvals, validations and authorizations of, and filings, registrations, validations and declarations by or with, and formal exemptions from, any court or any Governmental Authority having competent jurisdiction over the District, or other Person required in connection with, the execution, delivery, performance, validity and enforceability of this Agreement and the Financing Documents (including the Series 2014A Bonds) to which the District is or will be a party and that the same are in full force and effect;

(xv) a copy of the District's Swap Policy currently in effect; and

(xvi) such other documents, certificates and opinions as the Bank or its counsel may reasonably request and the acceptability of such documents, certificates and opinions to such counsel.

(b) As conditions precedent to the extension of the Initial Index Rate Mandatory Repurchase Date for each additional one year period as described in the definition of "Initial Index Rate Mandatory Repurchase Date," (A) no CCA Event of Default shall have occurred and be continuing on the Initial Index Rate Mandatory Repurchase Date then in effect and, no event shall have occurred and be continuing which would constitute a CCA Event of Default but for the requirement that notice be given or time elapse or both on such Initial Index Rate Mandatory

Repurchase Date, and (B) on or before the Initial Index Rate Mandatory Repurchase Date then in effect, the District shall have delivered to the Bank a certificate of the District, signed by an Authorized Delegate of the District, dated the Initial Index Rate Mandatory Repurchase Date then in effect, stating that as of the such Initial Index Rate Mandatory Repurchase Date no CCA Event of Default has occurred and is continuing and, to the knowledge of the District, no event has occurred and is continuing which would constitute a CCA Event of Default but for the requirement that notice be given or time elapse or both.

SECTION 8. REPRESENTATIONS AND WARRANTIES OF THE DISTRICT.

The District represents and warrants, as of the Initial Index Rate Closing Date, that:

(a) *Authority.* The District is duly organized and validly existing as a body corporate for municipal purposes. The District has the requisite power and authority to execute and deliver, and to perform its obligations under, this Agreement and the other Financing Documents to which it is or will be a party.

(b) *Authorization; Legal, Valid and Binding Obligations.* The execution and delivery by the District of this Agreement and the other Financing Documents to which the District is or will be a party have been duly authorized by all necessary legislative action of the District, and no further approval, authorization or consent is required by law or otherwise. This Agreement and such other Financing Documents constitute the legal, valid and binding obligations of the District backed by its full faith and credit with respect to the Payment Obligations (but not any other obligations of the District hereunder), and are enforceable in accordance with their respective terms, except as such enforceability may be limited by insolvency, moratorium or other laws or equitable principles relating to the enforcement of creditors' rights generally, and by general principles of equity. The Payment Obligations are not subject to appropriation. Each of the Financing Documents is or will be in full force and effect on the Initial Index Rate Closing Date.

(c) *No Conflict.* Neither the execution and delivery by the District of this Agreement and the other Financing Documents to which the District is or will be a party, nor the consummation of the transactions contemplated hereby or thereby nor performance or compliance with the provisions hereof or thereof, will (i) violate any law, rule or regulation or any order, writ, judgment, injunction, decree or award of any court, arbitrator or Governmental Authority having competent jurisdiction over the District, (ii) violate or conflict with, or constitute a default under, any mortgage, indenture, contract or other undertaking by which the District or any of its property or assets is bound, or (iii) except as provided in this Agreement and the Indenture, result in the creation or imposition of any security interest, lien, charge, claim or encumbrance pursuant to the terms thereof.

(d) *Consents and Approvals.* All consents, approvals, validations and authorizations of, and filings, registrations, validations and declarations by or with, and formal exemptions from, any court or any Governmental Authority having competent

jurisdiction over the District, or other Person required in connection with, the execution, delivery, performance, validity and enforceability of this Agreement and the Financing Documents (including the Series 2014A Bonds) to which the District is or will be a party have been obtained and are in full force and effect.

(e) *Litigation.* Except to the extent disclosed to the Bank in writing, there is no action, suit, proceeding, inquiry or investigation before or by any court, arbitrator, public board or other body of competent jurisdiction pending or, to the best knowledge of the District, threatened against or affecting the District wherein an unfavorable decision, ruling or finding would have a material adverse effect on the properties, business, condition (financial or other), results of operations or prospects of the District or the transactions contemplated by this Agreement or the other Financing Documents, or which would adversely affect the validity or enforceability of, or the authority or ability of the District to perform its obligations under, this Agreement and the other Financing Documents to which it is a party.

(f) *No Violations.* The District is not in violation of any material term of any bond or indenture agreement to which it is a party and to which its full faith and credit is pledged for the payment thereof or by which any of its property or assets is bound for the repayment of debt.

(g) *No Defaults.* Each Financing Document to which the District is a party is a legal, valid and binding obligation of the District, has not been terminated, cancelled or waived in any material respect and is in full force and effect, and the District is not in default under any such Financing Document.

(h) *Financial Statements.* The statements of financial position of the District as of September 30, 2013, and the related statements of activities and statements of cash flows for the fiscal year then ended and the auditors' reports with respect thereto, correctly and fairly present the financial position, changes in financial position and results of operations of the District at and for the period ended on such date, and were prepared in accordance with GAAP. Since September 30, 2013, there has been no material adverse change in the properties, business, condition (financial or other), results of operations or prospects of the District.

(i) *Accurate Information.* All information, reports and other papers and data with respect to the District furnished to the Bank were, at the time the same were so furnished, accurate in all material respects. Any financial, budget and other projections furnished to the Bank were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of conditions existing at the time of delivery of such financial, budget or other projections, and represented and, as of the date of this representation, represent the District's best estimate of its future financial performance. No fact is known to the District and no transaction or event has occurred that materially adversely affects or could materially adversely affect the security for any of the Series 2014A Bonds or the District's ability to repay when due its obligations under this Agreement, any of the Series 2014A Bonds and the other Financing

Documents. Taken as a whole, the documents furnished and statements made to the Bank in connection with the negotiation, preparation or execution of this Agreement and the other Financing Documents, as of the date so furnished or made, did not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading. Except for such amendments supplied by the District to the Bank in conjunction with the delivery of this Agreement, there have been no amendments or supplements to the Financing Documents.

(j) *No Proposed Legal Changes.* There is no amendment or, to the best knowledge of the District, proposed amendment to the Home Rule Act of the District of Columbia or any published administrative interpretation of the Home Rule Act of the District of Columbia or any District of Columbia law, or any published Attorney General of the District of Columbia opinion or judicial decision interpreting any of the foregoing, and there is no legislation that has passed by the Council of the District of Columbia, in each case, that could materially adversely affect the remarketing of any of the Series 2014A Bonds, any security for any of the Series 2014A Bonds or the District's ability to repay when due its obligations under this Agreement, any of the Series 2014A Bonds and the other Financing Documents.

(k) *Compliance with Laws.* To the best knowledge of the District, with regard to noncompliance that would have a material adverse affect on the District's ability to perform its obligations under the Financing Documents, the District is in material compliance with all statutes, rules, regulations, orders, writs, judgments, injunctions, decrees or awards of any Governmental Authority having jurisdiction over the District or the ownership or use of its property or assets, the conduct of its business or the premises occupied by it or to which it is otherwise subject.

(l) *Interest Rate.* The terms of this Agreement and the Financing Documents regarding the calculation and payment of interest and fees do not violate any applicable usury laws.

(m) *ERISA Compliance.* To the best knowledge of the District, it is in full compliance with the requirements of ERISA and the Code, and the District has not received any notice to the effect that it is not in full compliance with any of the requirements of ERISA or the Code.

(n) *Regulation U.* The District is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System); and no proceeds of the Series 2014A Bonds have been or will be used to extend credit to others for the purpose of purchasing or carrying any margin stock.

(o) *Tax-Exempt Status.* The District has not taken any action or omitted to take any action, and knows of no action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest on the

Series 2014A Bonds from gross income for Federal income tax purposes or the exemption of such interest from taxation by the District of Columbia, except for inheritance, estate and gifts taxes.

(p) *Purchased Bonds.* The Series 2014A Bonds purchased by the Bank pursuant to the terms hereof will be transferred to the Bank free and clear of all security interests, liens, charges claims or encumbrances of any Person other than the Bank, except for consensual liens or other security interests as may be created by the Bank.

(q) *Bond Proceeds.* The proceeds of the Series 2014A Bonds have been used for the purposes set forth in the Financing Documents.

(r) *Validity of Lien.* The lien granted under the Indenture on the Trust Estate is a valid and enforceable lien securing the payment of the Series 2014A Bonds and the Payment Obligations. The Payment Obligations will rank at least equally in right of payment by the District with all other Parity Debt.

SECTION 9. AFFIRMATIVE COVENANTS OF THE DISTRICT.

The District covenants and agrees with the Bank that, so long as the Bank owns all or any portion of the Series 2014A Bonds or until the full and final payment and satisfaction of all of the Obligations to the Bank, unless the Bank shall otherwise consent in writing, that:

(a) *Reporting Requirements.* The District shall keep, or cause to be kept, proper books of record and account in which full, true and correct entries will be made reflecting all financial transactions of the District in accordance with GAAP, consistently applied, and will furnish to the Bank a copy of each of the following:

(i) as soon as available, and in any event within two hundred seventy (270) days after the close of each fiscal year of the District, the most recent audited statements of financial position, the related statements of activities and statements of cash flows for the fiscal year then ended and the auditors' reports with respect thereto;

(ii) concurrently with the furnishing of the financial statements under Section 9(a)(i) hereof, a certificate signed by an Authorized Delegate of the District stating that (A) the District has complied with all of the terms, provisions and conditions of this Agreement and the other Financing Documents to which it is a party, (B) to the best of his/her knowledge, the District has kept, observed, performed and fulfilled each covenant, provision and condition of this Agreement and the other Financing Documents to which it is a party, required on its part to be performed, and (C) no Default or CCA Event of Default has occurred or, if such Default or CCA Event of Default has occurred, specifying the nature of such Default or CCA Event of Default, the period of its existence, the nature and status thereof and any remedial steps taken or proposed to correct such Default or CCA Event of Default;

(iii) forthwith and, in any event, within five (5) Business Days after the District obtains actual knowledge thereof, a certificate of the District setting forth the occurrence of any Default or CCA Event of Default, the details thereof and the action which the District is taking or proposes to take with respect thereto;

(iv) promptly after the adoption thereof, copies of any amendments to the Financing Documents;

(v) promptly after becoming known to any officer of the District upon whom process has been legally served or promptly after becoming known to an officer of the District, notice of any action, suit, proceeding, inquiry or investigation before or by any court, arbitrator, public board or other body of competent jurisdiction against or affecting the District wherein an unfavorable decision, ruling or finding would have a material adverse effect on the properties, business, condition (financial or other), results of operations or prospects of the District or the transactions contemplated by this Agreement or the Financing Documents, or which would adversely affect the validity or enforceability of or the authority or ability of the District to perform its obligations under, this Agreement and the other Financing Documents to which it is a party;

(vi) copies of any communications delivered or received by it under any of the Financing Documents (unless, with respect to communications received by it under any of the Financing Documents, the same are required to be furnished by the sender thereof directly to the Bank under the terms of such Financing Documents), or from any taxing authority or Rating Agency with respect to the transactions contemplated hereby; and

(vii) such other information respecting the affairs, condition and/or operations, financial or otherwise, of the District as the Bank may from time to time reasonably request.

(b) *Compliance with Laws.* The District shall comply with all applicable statutes, rules, regulations, orders, writs, judgments, injunctions, decrees or awards of any Governmental Authority having jurisdiction over the District or the ownership or use of its property or assets, the conduct of its business or the premises occupied by it or to which it is otherwise subject, except as to those statutes, rules, regulations, orders, writs, judgments, injunctions, decrees or awards for which noncompliance would not have a material adverse affect on the financial condition or operations of the District or the ability of the District to perform its obligations under the Financing Documents; *provided, however,* that the District may contest the validity or application thereof and appeal or otherwise seek relief therefrom, and exercise any and all of the rights and remedies which it may have with regard thereto, so long as such acts do not affect the District's power and authority to execute this Agreement and the other Financing Documents to which it is a party or to perform its obligations and pay all amounts payable by it hereunder and thereunder.

(c) *Inspection Rights.* To the extent permitted by law, the District shall at all reasonable times during regular business hours, upon the written request of the Bank, permit the Bank by its representatives to inspect, to the extent permitted by law, the properties, books of account, records, reports and other papers of the District, to take copies and extracts therefrom, and to discuss the affairs, finances and accounts of the District with the chief financial officer of the District or the independent public accountants of the District. The District will afford and procure a reasonable opportunity to make any such inspection, and the District will furnish to the Bank any and all information as the Bank may reasonably request, with respect to the performance by the District of the District's covenants in this Agreement; *provided*, that such inspection shall not interfere with the normal business of the District and the District incurs no out-of-pocket expenses as a result thereof; *provided further, however*, that from and after the occurrence and during the continuance of any CCA Event of Default, the costs of any inspection by the Bank or the furnishing of any information to the Bank shall be, subject to the provisions of Section 14 hereof, for the account of the District.

(d) *Keeping of Records and Books of Account.* Keep or cause to be kept proper records and books of account, including proper records and books of account in which correct and complete entries will be made in accordance with GAAP, reflecting all of its financial transactions.

(e) *Maintenance of Approvals, Filings and Registrations.* At all times maintain in effect, renew and comply with all the terms and conditions of all consents, licenses, approvals and authorizations as may be necessary or appropriate under any applicable law or regulation for the execution, delivery and performance of the Financing Documents to which it is party, and to make such Financing Documents legal, valid, binding and enforceable, in accordance with their terms.

(f) *Bond Proceeds.* Use the proceeds of the Series 2014A Bonds for the purposes set forth in the Bond Act.

(g) *Sinking Fund Deposits.* Make deposits required by the Indenture in the amounts and at the times as shall be necessary to satisfy the mandatory sinking fund obligations described therein.

(h) *Incorporation of Certain Covenants.* Perform and comply with each and every affirmative covenant, negative covenant and agreement required to be performed or observed by it in the Indenture and the other Financing Documents to which it is a party which provisions, as well as related defined terms contained therein (as such provisions and defined terms are in effect on the date hereof), are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety.

(i) *Further Assurance.* Execute and deliver to the Bank all such documents and instruments and do all such other acts and things as may be reasonably necessary or required by the Bank to enable the Bank to exercise and enforce its rights under the

Financing Documents and to record and file and re-record and re-file all such documents and instruments, at such time or times, in such manner and at such place or places, all as may be necessary or required by the Bank to validate, preserve and protect the position of the Bank under the Financing Documents.

(j) *ERISA*. To the extent applicable to the District, the District shall comply with the provisions of ERISA and the Code with respect to each employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and either (i) is maintained for employees of the District, (ii) is maintained pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and to which the District is a part of or has within the preceding five plan years made contributions, or (iii) under which the District is a part of or has any liability, including any liability by reason of having been a substantial employer within the meaning of Section 4063 of ERISA at any time during the preceding five years or by reason of being deemed a contributing sponsor under Section 4069 of ERISA.

(k) *Notices*. The District will promptly furnish, or cause to be furnished, to the Bank (i) notice of the occurrence of any CCA Event of Default or Default as defined herein or in the Indenture, (ii) notice of the failure by the Trustee to perform any of its material obligations under the Indenture, (iii) each notice required to be given by the District to any party under the Financing Documents (unless with respect to communications received by it under any of the Financing Documents, the same are required to be furnished by the sender thereof directly to the Bank under the terms of such Financing Documents) pursuant to the Indenture, and (iv) such further financial and other information with respect to the District and its affairs as the Bank may reasonably request from time to time.

SECTION 10. NEGATIVE COVENANTS OF THE DISTRICT.

The District covenants and agrees with the Bank that, so long as the Bank owns all or any portion of the Series 2014A Bonds or until the full and final payment and satisfaction of all of the Obligations to the Bank, unless the Bank shall otherwise consent in writing, that the District will not, directly or indirectly:

(a) *Tax-Exemption*. Take any action or omit to take any action which, if taken or omitted, would adversely affect (i) the exclusion of interest on the Series 2014A Bonds from gross income for federal income tax purposes; or (ii) the exemption of such interest from taxation by the District of Columbia, except for inheritance, estate and gift taxes.

(b) *Accounting Treatment*. Change accounting treatment and reporting practices in manner that would adversely affect the Series 2014A Bonds, except as otherwise required by changes in federal tax rules, GASB, FASB or to the extent deemed appropriate in the reasonable judgment of the independent certified public accountants that are preparing the audited financial statements of the District.

(c) *Amendments to Financing Documents.* Amend, modify, terminate or grant, or permit the amendment, modification of, termination of or grant of any waiver under, or consent to, or knowingly permit or suffer to occur any action or omission which results in, or is equivalent to, an amendment, termination of, modification of, or grant of a waiver under the Financing Documents that could have a material adverse affect on (A) the ability of the District to perform its obligations under the Financing Documents or (B) the rights, interests, security or remedies of the Bank, without the prior written consent of the Bank as required under Section 22 hereof (which such consent shall not be unreasonably withheld).

(d) *Defeasance.* Voluntarily defease or direct the defeasance of any Bonds without (A) thirty (30) days the prior written notice to the Bank, and (B) payment in full on or prior to the contemplated date of defeasance of all unpaid amounts owing under this Agreement as of such date.

(e) *No Acceleration of Other Obligations.* The District will not, without the prior written consent of the Bank, enter into, or otherwise consent to, any credit agreement, standby bond purchase agreement, liquidity agreement, direct bond purchase agreement or other similar agreement or instrument (or any amendment, supplement or modification thereto), including, without limitation, any such agreement or instrument relating to the Citi Bonds if the Initial Put Date (as defined in the Citi Agreement) is extended beyond October 26, 2015, which agreement or instrument includes, or otherwise grants to any Person as a remedy upon the occurrence of an event of default, the right to accelerate the payment of the principal of or interest on any Parity Debt or to otherwise declare the principal of or interest on any such Parity Debt to be immediately due and payable prior to its maturity or cause such Parity Debt to be paid pursuant to a mandatory tender, mandatory redemption or otherwise on any date other than a regularly scheduled payment date.

SECTION 11. EVENTS OF DEFAULT AND REMEDIES.

(a) If any of the following events shall occur and be continuing (each such event shall be a “*CCA Event of Default*”):

(i) any representation or warranty made by the District in any Financing Document or in any certificate, agreement, report instrument or statement contemplated by or made or pursuant to or in connection with this Agreement shall prove to have been false or misleading in any material respect when made;

(ii) failure of the District to make any payment of the principal of or interest on the Series 2014A Bonds or any other Payment Obligation as and when due;

(iii) failure of the District to make any payment of any amount when due under this Agreement (other than a Payment Obligation);

(iv) failure of the District to observe or perform the covenants set forth in Sections 9(a)(iii), 9(c) (but only with respect to the right to inspect and not the payment of the costs of such inspection), 9(f), 9(g), or 10 of this Agreement;

(v) failure of the District to observe or perform any other covenant set forth in this Agreement and such failure shall have continued for 180 consecutive days; *provided* that if the District is diligently seeking to cure such CCA Event of Default it may, by written notice to the Bank (which shall include detailed information regarding the actions being taken to cure), request up to an additional sixty (60) days to cure such CCA Event of Default, and the Bank shall not unreasonably reject such request;

(vi) any one of the long term ratings assigned to the Parity Debt is suspended or withdrawn for credit related reasons or downgraded below the Minimum Bond Rating;

(vii) the District makes an assignment for the benefit of creditors, enters into a composition agreement with creditors, files a petition in bankruptcy (to the extent permitted by law), is unable generally to pay its debts as they come due, is insolvent or bankrupt or there is entered any order or decree granting relief in any involuntary case commenced against the District under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or if the District petitions or applies to any tribunal or governmental entity for any receiver, trustee, liquidator, assignee, custodian or sequestrator (or other similar official) of the District or of any substantial part of the District's assets, or the District commences any case or proceeding in a court of law for a reorganization, readjustment of debt, dissolution, liquidation or other similar procedure under the law or statutes of any jurisdiction, whether now or hereafter in effect, or if there is commenced against the District any such case or proceeding in a court of law which remains undismissed or shall not be discharged or vacated, or such jurisdiction shall not be relinquished or the District shall not have commenced proceedings to dismiss such case, within sixty (60) days after commencement, or the District by any act indicates its consent to, approval of, or acquiescence in any such case or proceeding in a court of law, or to an order for relief in an involuntary case commenced against the District under any such law, or to the appointment of any receiver, trustee, liquidator, assignee, custodian, sequestrator (or other similar official) for the District or a substantial part of the District's assets, or if the District takes any action for the purposes of effecting the foregoing; or if the District becomes a debtor in a bankruptcy case or otherwise adjusts its debts under judicial administration or otherwise restructures its debts generally or is insolvent, bankrupt or unable to meet its debts as they become due;

(ix) any material provision of this Agreement or any of the other Financing Documents shall cease to be valid and binding; or the District shall deny that it has any or further liability hereunder or under any of the other Financing Documents;

(x) the District shall default in the payment of any principal of or premium, if any, or interest on any of its Parity Debt, or the District shall default in the performance of any agreement (including any Financing Document) under which any such Parity Debt is created if the effect of such default is to cause such Parity Debt to become, or to permit

any holder or beneficiary thereof, or a trustee on behalf thereof, with notice if required, to declare such Parity Debt to be due prior to its normal maturity, after any applicable cure and payment periods, or a moratorium shall have been imposed by or with respect to the District with respect to any of its Parity Debt, or the occurrence of any of the foregoing may (in the reasonable judgment of the Bank) have a material adverse effect on the ability of the District to perform its obligations hereunder or under any Financing Document to which it is a party;

(xi) an “Event of Default” occurs as defined in any of the other Financing Documents; or

(xii) a final, non-appealable judgment is entered or issued against the District in an aggregate amount in excess of \$200,000,000 and not satisfied within one hundred twenty (120) days after entry or issuance thereof, *provided* that an agreement providing for payment of a judgment in installments over a period of time in excess of one hundred and twenty (120) days shall be considered satisfaction of such judgment.

(b) Upon the occurrence of any CCA Event of Default, the Bank may exercise, or cause to be exercised, any and all remedies it may have under any Financing Document or as otherwise available at law or in equity, including, without limitation, specific performance, mandamus or injunctive relief.

(c) Notwithstanding the exercise of any other remedies provided for herein, upon the occurrence and during the continuance of any CCA Event of Default, the Series 2014A Bonds and any amounts due hereunder shall bear interest at the Default Rate.

SECTION 12. INCREASED COSTS.

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

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

(ii) subject a Bondholder to any Tax of any kind whatsoever with respect to this Agreement or the Bonds, or change the basis of taxation of payments to such Bondholder in respect thereof (except for Included Taxes or Other Taxes covered by Section 13 and the imposition of, or any change in the rate of any Excluded Tax payable by such Bondholder); or

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

and the result of any of the foregoing shall be to increase the cost to any such Bondholder with respect to this Agreement, the Bonds, or the making, maintenance or funding of the purchase

price of the Bonds, or to reduce the amount of any sum received or receivable by such Bondholder hereunder (whether of principal, interest or any other amount) then, upon written request of such Bondholder pursuant to a Certificate for Reimbursement and subject to Section 14, the District shall promptly pay to such Bondholder, such additional amount or amounts as will compensate such Bondholder, for such additional costs incurred or reduction suffered.

(b) *Capital Requirements.* If a Bondholder determines that any Change in Law affecting such Bondholder or any such Bondholder's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Bondholder's capital or liquidity or on the capital or liquidity of such Bondholder's holding company, if any, as a consequence of this Agreement, or ownership of the Bonds, to a level below that which such Bondholder or such Bondholder's holding company could have achieved but for such Change in Law (taking into consideration such Bondholder's policies and the policies of such Bondholder's holding company with respect to capital adequacy), then upon written request of such Bondholder pursuant to a Certificate for Reimbursement and subject to Section 14, the District shall pay to such Bondholder, such additional amount or amounts as will compensate such Bondholder or such Bondholder's holding company for any such reduction suffered.

(c) *Certificates for Reimbursement.* Within one hundred eighty (180) days of notice or knowledge of a Change in Law, a Bondholder shall deliver a written certificate for reimbursement ("*Certificate for Reimbursement*") setting forth (i) the specific Change in Law that results in the cost increase in subsection (a) or the Capital Requirements set forth in subsection (b), (ii) the amount necessary to compensate such Bondholder or such Bondholder's parent or holding company, as the case may be, (iii) the reason such amounts are necessary, as specified in paragraph (a) or (b) of this Section and the calculation thereof in reasonable detail, and (iv) a copy of the applicable Change in Law. Such Certificate for Reimbursement shall be delivered to the District and shall be conclusive absent manifest error. The District shall pay such Bondholder the amount shown as due in such Certificate for Reimbursement as promptly as possible, consistent with Section 14.

(d) *Delay in Requests.* Failure or delay on the part of a Bondholder to demand compensation pursuant to this Section shall not constitute a waiver of such Bondholder's right to demand such compensation.

(e) *Obligation of the District.* Any obligation of the District to make a payment under the provisions of (b) or (c) shall be subject to Section 14 and subordinated to the payment of principal and interest on the Series 2014A Bonds and replenishment of any debt service fund. The District shall have no obligation to make any payment under the provisions of (b) or (c) of this Section with respect to any Participant unless the event giving rise to such payment would apply to the Bank if the Bank had not granted a participation interest to such Participant. The Bank shall return any payment made to it by the District by virtue of the provisions of (b) or (c) of this Section for the period for which it is determined that there was no basis for any such payment.

(f) *Other Bondholder.* Notwithstanding anything herein to the contrary, no Bondholder shall be entitled to receive payment pursuant to Section 12 in an amount greater than the amount which would have been payable had the Bank not transferred the Series 2014A Bonds to such Bondholder.

SECTION 13. TAXES.

(a) *Payments Free of Taxes.* Any and all payments to the Bank by or on account of any obligation of the District hereunder or under the Series 2014A Bonds shall be made free and clear of and without reduction or withholding for any Included Taxes or Other Taxes; *provided* that if the District shall be required by Applicable Law to deduct any Included Taxes (including any Other Taxes) from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Bank receives an amount equal to the sum it would have received had no such deductions been made, (ii) the District shall make such deductions and (iii) the District shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with Applicable Law.

(b) *Payment of Other Taxes by the District.* Without limiting the provisions of paragraph (a) above, the District shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.

(c) *Reimbursement by the District.* The District shall reimburse the Bank, within thirty (30) days after demand together with a written certificate of tax reimbursement (“*Certificate of Tax Reimbursement*”) therefor, for the full amount of any Included Taxes or Other Taxes (including Included Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Bank and any penalties, interest and reasonable expenses arising therefrom or with respect thereto. The Certificate of Tax Reimbursement shall specify: (i) the amount of the tax payment made by the Bank on behalf of the District and evidence of such payment, (ii) the amount of the tax levied, (iii) a copy of the Applicable Law authorizing the tax levy by the relevant Governmental Authority, and (iv) a detailed calculation and breakdown of the amount of the tax payment, penalties and interest paid, and the Bank’s expenses arising therefrom. Nothing in this section shall impair, limit or waive the District’s right to contest the tax levied.

(d) *Evidence of Payments.* As soon as practicable after any payment of Included Taxes or Other Taxes by the District to a Governmental Authority pursuant to clause (a) or (b) above, the District shall deliver to the Bank, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Bank.

(e) *Treatment of Certain Refunds.* If the Bank has received a refund of any Taxes or Other Taxes as to which it has been reimbursed by the District pursuant to this Section (including additional amounts paid by the District pursuant to this Section), it shall pay to District an amount equal to such refund (but only to the extent of reimbursement payments made, or additional amounts paid, under this Section with respect to the Taxes or Other Taxes giving rise

to such refund), net of all out of pocket expenses of the Bank and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); *provided* that the District, upon the request of the Bank, agrees to repay the amount paid over pursuant to this Section (plus any interest or other charges imposed by the relevant Governmental Authority) to the Bank, in the event the Bank is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (e), in no event will the Bank be required to pay any amount to the District pursuant to this paragraph (e) if the payment of which would place the Bank in a less favorable net after Tax-position than the Bank would have been in if the additional amounts giving rise to such refund had never been paid. This paragraph shall not be construed to require the Bank to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the District or any other Person.

SECTION 14. COSTS AND EXPENSES.

(a) All requests that the District make payments pursuant to Sections 9(c), 12, 13, 15, 16, 21 or 32, or as otherwise specifically required by this Agreement, or any subsequent agreement are and shall remain subject to the provisions of (i) the federal Anti-Deficiency Act, 31 U.S.C. §§ 1341, 1342, 1349-1351, 1511-1519 (2004) (the “*Federal ADA*”), and D.C. Official Code §§ 1-206.03(e) and 47-105 (2001); (ii) the District of Columbia Anti-Deficiency Act, D.C. Official Code §§ 47-355.01 — 355.08 (2013 Supp.) (the “*D.C. ADA*” and (i) and (ii) collectively, as amended from time to time, the “*Anti-Deficiency Acts*”); and (iii) Section 446 of the District of Columbia Home Rule Act, D.C. Official Code § 1-204.46 (2001). Pursuant to the Anti-Deficiency Acts, nothing in this Agreement shall create an obligation of the District in anticipation of an appropriation by Congress for such purpose, and the District’s legal liability for the payment of any settlement amount under this Agreement shall not arise or obtain in advance of the lawful availability of appropriated funds for the applicable fiscal year as approved by Congress.

(b) The foregoing provisions of this Section 14 do not create or constitute a present financial obligation of the District to the Bank or anyone else.

(c) The foregoing provisions of this Section 14 do not create or constitute a future financial obligation of the District to the Bank or anyone else.

(d) The Mayor agrees to exercise all lawful authority available to it to satisfy the requests for payment that may arise under this Section 14. The Mayor of the District or other appropriate official shall, for each fiscal period, include in the budget application submitted to the Council of the District the amount necessary to fund the requests for payment under this Section 14 for such fiscal period or relating to any previous fiscal period. In the event that a request for such appropriations is excluded from the budget approved by the Council and submitted to Congress by the President for the applicable fiscal year or if no appropriation is made by Congress to pay the settlement amount and any other amount under this Section 14 for any period after the fiscal year for which appropriations have been made, and in the event appropriated funds for such purposes are not otherwise lawfully available, the District will not be liable to make any payments under this Section 14 in such period or until appropriated funds for

such purposes are available, and the unavailability of such funds shall not constitute a CCA Event of Default.

(e) Notwithstanding the foregoing, no officer, elected or appointed official, employee, director, member or other natural person or agent of the District shall have any personal liability in connection with the breach of the provisions of this Section 14 or in the event of a Default by the District under this Section 14.

(f) No District officer, elected or appointed official, employee or agent is authorized to obligate or expend any amount under this Section 14 unless such amount has been appropriated by Act of Congress and is lawfully available.

SECTION 15. OBLIGATIONS ABSOLUTE.

Except as otherwise stated herein, the obligations of the District under this Agreement shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances whatsoever, including, without limitation, the following circumstances:

- (a) any lack of validity or enforceability of the Financing Documents;
- (b) any amendment or waiver of or any consent to departure from all or any of the other Financing Documents;
- (c) without waiving its right to contest claims, the existence of any claim, set-off, defense or other rights which the District may have at any time against the Trustee, the Bank (other than the defense of payment to the Bank in accordance with the terms of this Agreement), or any other person or entity, whether in connection with this Agreement, the Financing Documents or any unrelated transaction; and
- (d) any statement proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever.

SECTION 16. LIABILITY OF THE BANK.

With respect to the Bank, the District assumes any and all risks with respect to the acts or omissions of the Trustee in connection with its use of this Agreement or any amounts made available by the Bank hereunder. Neither the Bank nor any of the officers, directors, employees or agents thereof shall be liable or responsible for any of the following: (a) the use that may be made of this Agreement or any amounts made available by the Bank hereunder or for any acts or omissions of the Trustee or the District in connection therewith; (b) the validity, sufficiency or genuineness of documents (except for the validity and enforceability of the Bank's obligations hereunder), or of any endorsement(s) thereon. In furtherance and not in limitation of the foregoing, the Bank may accept documents that appear on their face to be in order, without responsibility for further investigation. The foregoing provisions of this section shall not be

construed to exculpate the Bank from any act of the Bank which constitutes negligence or willful misconduct.

SECTION 17. RESERVED.

SECTION 18. SUCCESSORS, ASSIGNS AND PARTICIPANTS.

(a) *Successors and Assigns Generally.* This Agreement is a continuing obligation and shall be binding upon the District, its successors, transferees and assigns and shall inure to the benefit of the Bank and its respective permitted successors, transferees and assigns as and to the extent set forth in this Section 18. The District may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Bank. The Bank may, in its sole discretion and in accordance with applicable Law, from time to time assign, sell or transfer in whole or in part, this Agreement, its interest in the Series 2014A Bonds and the Financing Documents in accordance with the provisions and subject to the limitations of paragraphs (b) or (c) of this Section. Each Series 2014A Bondholder may at any time and from time to time enter into participation agreements in accordance with the provisions of paragraph (d) of this Section. the Bank may at any time pledge or assign a security interest subject to the restrictions of paragraph (e) of this Section.

(b) *Sales and Transfers by Bondholder to a Bank Transferee.* Without limitation of the foregoing generality, a Bondholder may at any time sell or otherwise transfer to one or more transferees all or a portion of the Series 2014A Bonds to a Person that is (i) an Affiliate of the Bank or (ii) a trust or other custodial arrangement established by the Bank or an Affiliate of the Bank, the owners of any beneficial interest in which are limited to “qualified institutional buyers” as defined in Rule 144A promulgated under the 1933 Act (each, a “*Bank Transferee*”). From and after the date of such sale or transfer, Banc of America Preferred Funding Corporation (and its successors) shall continue to have all of the rights of the Bank hereunder and under the other Financing Documents as if no such transfer or sale had occurred; *provided, however*, that (A) no such sale or transfer referred to in clause (b)(i) or (b)(ii) hereof shall in any way affect the obligations of the Bank hereunder, (B) the District and the Trustee shall be required to deal only with the Bank with respect to any matters under this Agreement and (C) in the case of a sale or transfer referred to in clause (b)(i) or (b)(ii) hereof, only the Bank shall be entitled to enforce the provisions of this Agreement against the District.

(c) *Sales and Transfers by Bondholder to a Non-Bank Transferee.* Without limitation of the foregoing generality, a Bondholder may at any time sell or otherwise transfer to one or more transferees which are not Bank Transferees but each of which constitutes (i) a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act and (ii) a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any such case, having a combined capital and surplus, determined as of the date of any transfer pursuant to this clause (c), of not less than \$5,000,000,000 (each a “*Non-Bank Transferee*”) all or a portion of the Series 2014A Bonds if (A) written notice of such sale or transfer, including that such sale or transfer is to a Non-Bank Transferee, together with addresses and related information with respect to the Non-Bank

Transferee, shall have been given to the District, the Trustee and the Bank (if different than the Bondholder) by such selling Bondholder and Non-Bank Transferee, and (B) the Non-Bank Transferee shall have delivered to the District, the Trustee and the selling Bondholder, an investment letter in substantially the form attached as Exhibit A to this Agreement (the “*Investor Letter*”).

From and after the date the District, the Trustee and the selling Bondholder have received written notice and an executed Investor Letter, (A) the Non-Bank Transferee thereunder shall be a party hereto and shall have the rights and obligations of a Bondholder hereunder and under the other Financing Documents, and this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to effect the addition of the Non-Bank Transferee, and any reference to the assigning Bondholder hereunder and under the other Financing Documents shall thereafter refer to such transferring Bondholder and to the Non-Bank Transferee to the extent of their respective interests, and (B) if the transferring Bondholder no longer owns any Bonds, then it shall relinquish its rights and be released from its obligations hereunder and under the Financing Documents; *provided, however*, that (1) the District and the Trustee shall be required to deal only with the Bank (and no other Non-Bank Transferee) with respect to any matters under this Agreement; (2) only the Bank shall be entitled to enforce the provisions of this Agreement against the District; and (3) in the event the Bank, any Bank Transferee or any combination thereof ceases to be the Majority Bondholder, no Non-Bank Transferee shall constitute a Bondholder hereunder or have the benefits of any of the terms and provisions of this Agreement except to the extent necessary to give meaning and effect to the provisions of the Indenture.

(d) *Participations.* Each Bondholder shall have the right to grant participation (to be evidenced by one or more participation agreements or certificates of participation) in this Agreement at any time and from time to time to one or more other institutions (each a “*Participant*”); *provided, however*, that any such participation shall not relieve the Bank from any of its obligations under this Agreement nor cause any additional expense or obligation to the District.

(e) Notwithstanding the foregoing, the Bank may at any time pledge or grant a security interest in all or any portion of its rights under the Series 2014A Bonds, this Agreement and the Financing Documents to secure obligations of the Bank, including any pledge or assignment to secure obligations to a Federal Reserve Bank without notice to or consent by the District; *provided* that no such pledge or assignment shall release the Bank from any of its obligations hereunder or substitute any such pledgee or assignee for the Bank as a party hereto or cause any additional expense or obligation to the District.

SECTION 19. CALCULATIONS.

Unless otherwise stated, all fees and interest on amounts owing the Bank under this Agreement shall be computed on the basis of the actual number of days elapsed over a year of 365 days, which shall include the first day on which fees are payable or any such amount is due, as the case may be, but shall exclude the day on which payment is made.

SECTION 20. EXTENSION OF MATURITY.

If any payment to the Bank would become due and payable on other than a Business Day, such payment shall instead become due on the next succeeding Business Day and interest shall be payable thereon at the rate herein specified during such extension.

SECTION 21. SURVIVAL OF THIS AGREEMENT.

Subject to Section 14 of this Agreement, all covenants, agreements, representations and warranties made in this Agreement shall continue in full force and effect until no amounts hereunder shall be outstanding or unpaid, it being understood that the agreements of the District found in Sections 2, 12, 13, 14 and 15 hereof shall survive the termination of this Agreement and payment in full of such obligations (*provided* that any such obligations which are limited to accruing in a particular fiscal year shall continue to be limited to accruing in such fiscal year). Whenever in this Agreement the Bank is referred to, such reference shall be deemed to include the successors and assigns of the Bank and all covenants, promises and agreements by or on behalf of the District which are contained in this Agreement shall inure to the benefit of the successors and assigns of the Bank. The rights and duties of the District, however, may not be assigned or transferred, except as specifically provided in this Agreement or with the prior written consent of the Bank, and all obligations of the District hereunder shall continue in full force and effect notwithstanding any assignment by the District of any of its rights or obligations under any of the Financing Documents.

SECTION 22. MODIFICATION OF FINANCING DOCUMENTS.

No amendment, modification or waiver of any provision of any Financing Document shall be effective unless the same shall be in writing and signed by the Bank (*provided* that the foregoing shall not apply to supplements to the Master Indenture providing solely for the issuance of additional bonds in accordance with the terms of the Master Indenture or to supplements or amendments not requiring the consent of the bondholders) and no consent to any departure by the District therefrom, shall, in any event, be effective unless the same shall be in writing and signed by the Bank. Any such amendment, modification or waiver shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the District in any case shall entitle the District to any other or further notice or demand in the same, similar or other circumstances.

SECTION 23. NO WAIVER OF RIGHTS BY THE BANK.

No course of dealing or failure or delay on the part of the Bank in exercising any right, power or privilege hereunder or under any Financing Document shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise or the exercise of any other right, power or privilege. The rights of the Bank under the Financing Documents are cumulative and not exclusive of any rights or remedies which the Bank would otherwise have.

SECTION 24. SEVERABILITY.

In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 25. GOVERNING LAW; VENUE.

THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO CONFLICTS OF LAWS PROVISIONS; PROVIDED THAT THE AUTHORITY, DUTIES AND OBLIGATIONS OF THE DISTRICT HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE DISTRICT OF COLUMBIA. ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE SERIES 2014A BONDS INVOLVING THE BANK SHALL BE BROUGHT IN THE APPROPRIATE DISTRICT OF COLUMBIA COURT HAVING JURISDICTION OVER SUCH MATTER.

SECTION 26. WAIVER OF SPECIAL DAMAGES.

The District shall not assert, and waives, any claim against the Bank, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages or damages otherwise recoverable pursuant to statute) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the transactions, or the use of the proceeds thereof.

SECTION 27. ANTI-TERRORISM LAWS.

The District hereby represents and warrants that:

(a) The District is not in violation of any Anti-Terrorism Law applicable to the District or engaged in or conspiring to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

(b) Neither the District nor any of its agents acting or benefiting in any capacity in connection with this Agreement or other transactions hereunder, is any of the following (each a "*Blocked Person*");

(i) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order No. 13224; a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order No. 13224;

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

(iii) a Person or entity that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order No. 13224;

(iv) a Person or entity that is named as a “specially designated national and blocked person” on the most current list published by the U.S. Treasury Department Office of Foreign Asset Control (“OFAC”) at its official website: <http://www.treas.gov/ofachllsdn.pdf> or any replacement website or other replacement official publication of such list;

(v) a Person who is affiliated with a Person listed above; or

(vi) a Person who is listed on any other list of terrorist or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable executive order. The above-referenced lists contained in this Section 27 are collectively referred to as the “OFAC Lists.”

(c) Neither the District nor, to its knowledge, any of its agents acting in any capacity in connection with this Agreement or other transactions hereunder (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person or (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order No. 13224.

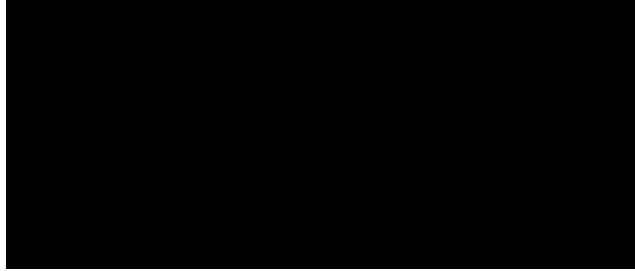
(d) The District and its agents shall not (i) conduct any business or engage in any transaction or dealing with any Blocked Person, including the making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order No. 13224, (iii) permit the transfer of any interest in either the District or its agents to any Blocked Person or any beneficial owner of such Blocked Person or (iv) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in the Executive Order No. 13224 or the USA Patriot Act. The District acknowledges that pursuant to the requirements of the USA Patriot Act, the Bank is required to obtain, verify and record information that identifies the District.

SECTION 28. NOTICE.

All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered, or sent by overnight mail, with return receipt, or five (5) days following mailing by registered or certified mail, postage prepaid, to the parties at the following addresses. Any of the foregoing parties may, by notice in writing given to the others, designate any further or different addresses to which subsequent notices, certificates or other communication shall be sent.

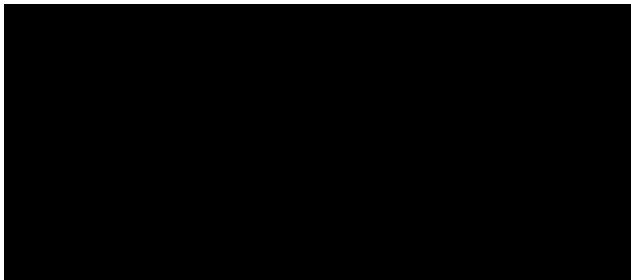
The Bank:

Banc of America Preferred Funding Corporation



The District:

District of Columbia



SECTION 29. HEADINGS.

The table of contents and captions in this Agreement are for convenience of reference only and shall not define or limit the provisions of this Agreement.

SECTION 30. COUNTERPARTS.

This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which, when taken together, shall constitute one and the same instrument.

SECTION 31. ENTIRE AGREEMENT.

This Agreement sets forth the entire agreement between the District and the Bank covering the subject matter of this Agreement and the terms of this Agreement shall supersede the terms of any commitment letter or other agreement covering the subject matter of this Agreement between the District and the Bank.

SECTION 32. OTHER COSTS AND EXPENSES.

Subject to Section 14, the District agrees to pay on demand (a) all reasonable costs and expenses of the Bank in connection with the preparation, execution, delivery and administration of this Agreement and the other Financing Documents, and all other instruments and documents to be delivered under or in connection with this Agreement, including the reasonable fees and

expenses of counsel, fees and expenses of appraisers, accountants, and other professionals, and costs of property and lien searches related thereto; (b) all reasonable costs and expenses of the Bank in connection with and any waivers or supplements or amendments to this Agreement and the other Financing Documents, and all other instruments and documents delivered under or in connection with this Agreement (including, but not limited to, an amendment fee equal to [REDACTED] in connection with each amendment (the “*Amendment Fee*”)) and also including the reasonable fees and expenses of counsel (in an amount to be determined and mutually agreed upon at the time of such amendment), fees and expenses of appraisers, accountants, and other professionals, and costs of property and lien searches related thereto; and (c) all reasonable costs and expenses of the Bank (in an amount to be determined and mutually agreed upon) in connection with the enforcement of this Agreement and the other Financing Documents, and all other instruments and documents to be delivered under or in connection with this Agreement, including the reasonable fees and expenses of counsel and the reasonable fees and expenses of appraisers, accountants, and other professionals. Such costs and expenses shall include all costs and expenses (including the reasonable fees and expenses of counsel for the Bank) incurred in connection with: (A) the protection, exercise or enforcement of the Bank’s rights with respect to the Trust Estate; and (B) the assertion, protection, exercise or enforcement of the Bank’s rights in any proceeding under the United States Bankruptcy Code, including without limitation the preparation, filing and prosecution of (i) proofs of claim, (ii) motions for relief from the automatic stay, (iii) motions for adequate protection and (iv) complaints, answers and other pleadings in adversary proceedings by or against the Bank or relating in any way to any of the Trust Estate. Such costs and expenses also shall include the fees and expenses of counsel for the Bank in advising the Bank as to its rights and responsibilities under this Agreement or any of the other Financing Documents and in representing the Bank in any legal proceeding relating thereto.

SECTION 33. EVIDENCE OF DEBT.

The Bank shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the District resulting from this Agreement and the amounts of principal, interest and fees payable and paid from time to time hereunder. In any legal action or proceeding in respect of this Agreement, the entries made in such account or accounts shall be conclusive evidence of the existence and amounts of the obligations of the District therein recorded, absent manifest error.

SECTION 34. NO FIDUCIARY RELATIONSHIP.

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

SECTION 35. RIGHTS CUMULATIVE.

All rights, powers and remedies herein given to the Bank are cumulative and not alternative, and are in addition to all statutes or rules of law; any forbearance or delay by the Bank in exercising the same shall not be deemed to be a waiver thereof, and the exercise of any right or partial exercise thereof shall not preclude the further exercise thereof, and the same shall continue in full force and effect until specifically waived by an instrument in writing executed by the Bank.

SECTION 36. INTEREST LIMITATION.

Notwithstanding anything to the contrary contained herein or in any of the other Financing Documents, if the rate of interest payable on the Series 2014A Bonds or under this Agreement shall exceed the Maximum Rate for any day for which interest is payable (each such date referred to herein as an “*Excess Interest Commencement Date*”), then (i) interest for such day shall be payable at the Maximum Rate, and Excess Interest shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed the Maximum Rate, at which time (and continuing thereafter until all deferred Excess Interest is fully paid to the Bank) the District shall pay to the Bank such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Bank to equal the Maximum Rate; *provided, however*, that (1) if on any one or more previous days during the fiscal year in which an Excess Interest Commencement Date occurs (each such day referred to herein as a “*Recaptured Interest Commencement Date*”), the rate of interest paid in accordance with the terms of this Agreement was less than the Maximum Rate, Excess Interest relating to such Excess Interest Commencement Date shall not be deferred to a future date, but rather the District shall pay to the Bank on such Excess Interest Commencement Date such portion of Recaptured Interest as will cause the rate of interest paid on the Series 2014A Bonds from the beginning of such fiscal year up to and including the Excess Interest Commencement Date, to equal the Maximum Rate; and (2) the total liability of the District for payment of interest pursuant hereto and under the Series 2014A Bonds shall not exceed, in any fiscal year, the amount of interest that would have been payable during such fiscal year if the applicable interest rate on the Series 2014A Bonds had been equal to the Maximum Rate for such entire fiscal year.

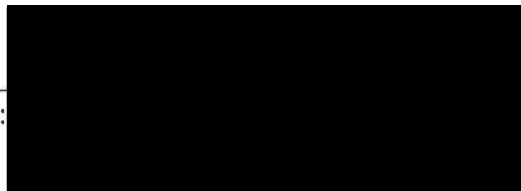
[Signatures appear on the next page]

Please signify your agreement and acceptance of the foregoing by executing this Agreement in the space provided below.

Very truly yours,

BANC OF AMERICA PREFERRED FUNDING
CORPORATION

By: _____
Name: _____
Title: _____



Agreed to and accepted, as of June 26, 2014 by

DISTRICT OF COLUMBIA

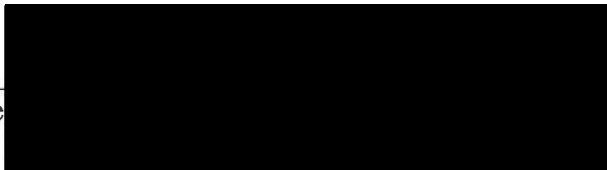
By: _____
Name: _____
Title: _____



Agreed to and accepted, as of June 26, 2014 by

DISTRICT OF COLUMBIA

By: _____
Name
Title:

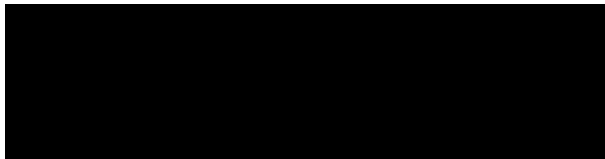


[Signature Page to 2014A Continuing Covenants Agreement]

EXHIBIT A

FORM OF INVESTOR LETTER

District of Columbia



Re: District of Columbia

Ladies and Gentlemen:

This letter is to provide you with certain representations and agreements with respect to our purchase of the above-referenced bonds (the “*Bonds*”). The Series 2014A Bonds were issued under and secured in the manner set forth pursuant to the Master Trust Indenture, dated as of December 1, 2004, as supplemented and amended, including by the Eighth Supplemental Trust Indenture, dated as of June 1, 2014 (collectively, the “*Indenture*”), between the District of Columbia (the “*District*”) and Wells Fargo Bank, National Association (the “*Trustee*”). Banc of America Preferred Funding Corporation (the “*Purchaser*,” the “*undersigned*,” “*us*” or “*we*,” as applicable) is purchasing the Series 2014A Bonds pursuant to a Continuing Covenants Agreement, dated as of June 1, 2014, between the District of Columbia (the “*Borrower*”) and the Purchaser. We hereby represent and warrant to you and agree with you as follows:

1. We understand that the Series 2014A Bonds have not been registered pursuant to the Securities Act of 1933, as amended (the “*1933 Act*”), the securities laws of any state nor has the Indenture been qualified pursuant to the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions set forth therein. We acknowledge that the Series 2014A Bonds (i) are not being registered or otherwise qualified for sale under the “blue sky” laws and regulations of any state, (ii) will not be listed on any securities exchange.

2. We have not offered, offered to sell, offered for sale or sold any of the Series 2014A Bonds by means of any form of general solicitation or general advertising, and we are not an underwriter of the Series 2014A Bonds within the meaning of Section 2(11) of the 1933 Act.

3. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Series 2014A Bonds.

4. We have authority to purchase the Series 2014A Bonds and to execute this letter and any other instruments and documents required to be executed by the purchaser in connection with the purchase of the Series 2014A Bonds.

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

6. The undersigned is either a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act as defined in Rule 501 of Regulation D under the 1933 Act and is able to bear the economic risks of such investment.

7. The undersigned understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to the Series 2014A Bonds. The undersigned has made its own inquiry and analysis with respect to the District, the Series 2014A Bonds and the security therefor, and other material factors affecting the security for and payment of the Series 2014A Bonds.

8. The undersigned acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, regarding the District, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the District, the Series 2014A Bonds and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase the Series 2014A Bonds.

9. The Series 2014A Bonds are being acquired by the Purchaser for investment for its own account and not with a present view toward resale or distribution; *provided, however*, that the Purchaser reserves the right to sell, transfer or redistribute the Series 2014A Bonds, but agrees that any such sale, transfer or distribution by the Purchaser shall be to a Person:

(a) that is an affiliate of the Purchaser;

(b) that is a trust or other custodial arrangement established by the Purchaser or one of its affiliates, the owners of any beneficial interest in which are limited to qualified institutional buyers; or

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

Very truly yours,

By: _____

Name: _____

Title: _____

The enclosed electronic (PDF) document has been created by scanning an original paper document. Optical Character Recognition (OCR) has been used to create searchable text. OCR technology is not perfect, and therefore some words present in the original document image may be missing, altered or may run together with adjacent words in the searchable text.

***CONTINUING COVENANT AGREEMENT
MULTIMODAL GENERAL OBLIGATION REFUNDING BONDS,
SERIES 2014B***

CONTINUING COVENANTS AGREEMENT

between

DISTRICT OF COLUMBIA

and

BANC OF AMERICA PREFERRED FUNDING CORPORATION

Dated as of June 1, 2014

DISTRICT OF COLUMBIA
MULTIMODAL GENERAL OBLIGATION REFUNDING BONDS,
SERIES 2014B

TABLE OF CONTENTS

SECTION	HEADING	PAGE
SECTION 1.	DEFINITIONS; INTERPRETATION	1
SECTION 2.	PURCHASE OF THE SERIES 2014B BONDS; PAYMENT OBLIGATIONS	11
SECTION 3.	RENEWAL	12
SECTION 4.	METHOD OF PAYMENT	12
SECTION 5.	REDEMPTION	12
SECTION 6.	CERTAIN SECURITY GRANTED BY THE DISTRICT	13
SECTION 7.	CONDITIONS PRECEDENT	13
SECTION 8.	REPRESENTATIONS AND WARRANTIES OF THE DISTRICT	15
SECTION 9.	AFFIRMATIVE COVENANTS OF THE DISTRICT	18
SECTION 10.	NEGATIVE COVENANTS OF THE DISTRICT	21
SECTION 11.	EVENTS OF DEFAULT AND REMEDIES	22
SECTION 12.	INCREASED COSTS	24
SECTION 13.	TAXES	26
SECTION 14.	COSTS AND EXPENSES	27
SECTION 15.	OBLIGATIONS ABSOLUTE	28
SECTION 16.	LIABILITY OF THE BANK	28
SECTION 17.	INDEMNITY, COSTS AND EXPENSES	29
SECTION 18.	SUCCESSORS, ASSIGNS AND PARTICIPANTS	29
SECTION 19.	CALCULATIONS	31
SECTION 20.	EXTENSION OF MATURITY	31
SECTION 21.	SURVIVAL OF THIS AGREEMENT	31

SECTION 22.	MODIFICATION OF FINANCING DOCUMENTS	31
SECTION 23.	NO WAIVER OF RIGHTS BY THE BANK	32
SECTION 24.	SEVERABILITY	32
SECTION 25.	GOVERNING LAW; VENUE	32
SECTION 26.	WAIVER OF SPECIAL DAMAGES	32
SECTION 27.	ANTI-TERRORISM LAWS	32
SECTION 28.	NOTICE	34
SECTION 29.	HEADINGS.....	34
SECTION 30.	COUNTERPARTS	34
SECTION 31.	ENTIRE AGREEMENT	34
SECTION 32.	OTHER COSTS AND EXPENSES.....	35
SECTION 33.	EVIDENCE OF DEBT	35
SECTION 34.	NO FIDUCIARY RELATIONSHIP	36
SECTION 35.	RIGHTS CUMULATIVE	36
SECTION 36.	INTEREST LIMITATION	36

CONTINUING COVENANTS AGREEMENT

This CONTINUING COVENANTS AGREEMENT (this “*Agreement*”) is dated as of June 1, 2014, by and between THE DISTRICT OF COLUMBIA (the “*District*”) and BANC OF AMERICA PREFERRED FUNDING CORPORATION.

BACKGROUND

A. The District will issue the \$224,315,000 District of Columbia Multimodal General Obligation Refunding Bonds, Series 2014B (the “*Series 2014B Bonds*”). The issuance of the Series 2014B Bonds is authorized pursuant to the General Obligation Bonds and Bond Anticipation Notes for Fiscal Years 2013-2018 Authorization Act of 2012, D.C. Law 19-231, effective March 19, 2013 (the “*Bond Act*”), and the Fiscal Year 2014 Income Tax Secured Revenue Bonds and General Obligation Bond Issuance Approval Resolution of 2013, R20-321, effective November 5, 2013.

B. As an inducement to the Bank to purchase the Series 2014B Bonds, the District now desires to enter into this Agreement to set forth certain representations, warranties, covenants and agreements regarding the District.

NOW, THEREFORE, in consideration of the foregoing and the undertakings herein set forth and intending to be legally bound, the parties hereto agree as follows:

SECTION 1. DEFINITIONS; INTERPRETATION.

As used in this Agreement, the terms defined in this Section 1 or elsewhere in this Agreement (including the preamble hereto and the recitals above) have the respective meanings indicated. Defined terms are capitalized throughout this Agreement, unless otherwise indicated. Any capitalized terms used herein which are not specifically defined herein shall have the same meanings herein as in the Indenture:

“*Affiliate*” means a corporation, partnership, association, joint venture, business trust or similar entity organized under the laws of any state that directly, or indirectly through one (1) or more intermediaries Controlled by the Bank, Controls or is Controlled by, or is under common Control with, the Bank.

“*Agreement*” shall mean this Continuing Covenants Agreement dated as of June 1, 2014, as amended, supplemented or otherwise modified in accordance with the terms hereof.

“*Amendment Fee*” shall have the meaning set forth in Section 31 hereof.


“*Anti-Terrorism Law*” shall mean any law applicable to the District relating to terrorism or money laundering, including Executive Order No. 13224 and the USA Patriot Act.

“*Applicable Factor*” shall have the meaning set forth in the Supplemental Indenture.

“*Applicable Law*” shall mean (i) all applicable common law and principles of equity and (ii) all applicable provisions of all (A) constitutions, statutes, rules, regulations and orders of all governmental and non governmental bodies, (B) Governmental Approvals and (C) orders, decisions, and judgments and decrees of all courts (whether at law or in equity), applicable to the parties.

“*Applicable Spread*” means a rate per annum associated with the Level corresponding to the lowest long-term unenhanced debt rating(s) assigned by any of Moody’s, Fitch or S&P to any Parity Debt (each, a “*Rating*”), as specified below.

LEVEL	MOODY’S RATING	S&P RATING	FITCH RATING	APPLICABLE SPREAD
				

In the event of split Ratings (*i.e.*, one of the Rating Agencies’ Rating is at a different level than the Rating of another Rating Agency), the Applicable Spread shall be based upon the Level in which the lowest Rating(s) appears. Any change in the Applicable Spread resulting from a change in a Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to Ratings above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system, the ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system that most closely approximates the applicable rating category as currently in effect. The Borrower acknowledges that as of the Initial Index Rate Closing Date the Applicable Spread is that specified above for Level 1. Anything herein to the contrary notwithstanding, in the event the Citi Bonds are not repaid, redeemed or defeased in full prior to the date that is 90 days after the Initial Index Rate Closing Date, the Applicable Spread shall increase by  from the per annum rate otherwise in effect until such time as the Citi Bonds are repaid, redeemed or defeased in full.

“*Authorized Delegate*” shall mean the Chief Financial Officer, or any officer or employee of the executive office of the Mayor to whom the Mayor has delegated or to whom the foregoing individuals have subdelegated any of the Mayor’s functions under Section 422(6) of the Home Rule Act.

“*Bank*” shall mean, initially, Banc of America Preferred Funding Corporation, a Delaware corporation, and its successors and assigns, and any Bank Transferee pursuant to the provisions of Section 18(b) hereof.

“*Bank Transferee*” shall have the meaning set forth in Section 18(b) of this Agreement.

“*Base Rate*” shall mean, for any day, a fluctuating rate of interest per annum equal to the greatest of (i) the Prime Rate in effect at such time *plus* one percent (1.00%), (ii) the Federal Funds Rate in effect at such time *plus* two percent (2.00%), (iii) the LIBOR Index in effect at such time *plus* two percent (2.00%), and (iv) seven percent (7.00%).

“*Bond Act*” shall have the meaning ascribed to such term in the recitals hereto.

“*Bondholder*” means the Bank, any Bank Transferee and any Non-Bank Transferee.

“*Business Day*” shall mean any day which is not (i) a Saturday or a Sunday, (ii) another day of the year on which banks in the District of Columbia or the state of New York are required or authorized by law or by executive order to close, or (iii) a day on which banking institutions in the city in which the principal office designated by the Bank for receipt of payments on the Series 2014B Bonds or the city where the office of the Trustee is located, are required or authorized to remain closed.

“*CCA Event of Default*” shall have the meaning set forth in Section 11 of this Agreement.

“*Certificate for Reimbursement*” shall have the meaning set forth in Section 12(c) of this Agreement.

“*Certificate of Tax Reimbursement*” shall have the meaning set forth in Section 13(c) of this Agreement.

“*Change in Law*” shall mean the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any Applicable Laws, (b) any change in any Applicable Laws or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, ruling, guideline, regulation or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, ruling, guidelines, regulations or directives thereunder or issued in connection therewith and (ii) all requests, rules, rulings, guidelines, regulations or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “*Change in Law*”, regardless of the date enacted, adopted or issued.

“*Citi Agreement*” means the Bondholder Agreement dated as of October 1, 2012, between Citibank, N.A., and the District, as the same may be amended, supplemented or modified.

“*Citi Bonds*” means the District’s Multimodal General Obligation Refunding Bonds, Series 2008A and Series 2008D.

“*Code*” shall mean the Internal Revenue Code of 1986, as amended from time to time, and the regulations and rulings issued thereunder.

“*Computation Date*” means the second London Banking Day immediately preceding each LIBOR Index Reset Date.

“*Control*” or any variant thereof means the ownership of, or power to vote (i) 51% of the outstanding capital stock of a corporation, the membership interests of a limited liability company, or the partnership interests of a partnership; or (ii) 100% of the membership interests of the managing members of a limited liability company or of the partnership interests of the general partners of a partnership.

“*Default*” shall mean any occurrence, circumstance or event, or any combination thereof, which, with the lapse of time and/or giving of notice, would constitute a CCA Event of Default.

“*Default Rate*” shall mean, for any day, a rate of interest per annum equal to the sum of the Base Rate in effect on such day plus three percent (3.00%); *provided* that subject to the provisions of Section 36 hereof, the Default Rate shall not exceed the Maximum Rate.

“*District*” shall mean the District of Columbia, a body corporate, its successors and assigns.

“*ERISA*” shall mean the Employee Retirement Income Security Act of 1974, as now in effect or as hereinafter amended, and the regulations and rulings issued thereunder.

“*Excess Interest*” shall mean the amount of interest that would be payable on the Series 2014B Bonds (calculated at the interest rate under the Indenture) if the Maximum Rate did not apply, to the extent such amount is greater than the amount of interest calculated at the Maximum Rate.

“*Excess Interest Commencement Date*” shall have the meaning set forth in Section 36 hereof.

“*Executive Order No. 13224*” shall mean the Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, as the same has been, or shall hereafter be, renewed, extended, amended or replaced.

“*Excluded Taxes*” shall mean, with respect to the Bank, (i) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which the Bank is organized or in which its principal office is located, and (ii) any branch profits taxes imposed by the United States or any similar tax imposed by the District of Columbia.

“*FASB*” shall mean the Financial Accounting Standards Board of the Financial Accounting Foundation or any successor thereto.

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

“Final Initial Index Rate Mandatory Repurchase Date” means June 23, 2017.

“Financing Documents” shall mean, collectively, this Agreement, the Series 2014B Bonds and the Indenture.

“Fitch” shall mean Fitch, Inc., its successor and assigns.

“GAAP” shall mean accounting principles generally accepted in the United States as applied to local government units as prescribed by the pronouncements of the GASB and the FASB, consistently applied and maintained throughout the period indicated and consistent with the prior financial practice of the District, except for changes permitted by GASB, FASB or any similar accounting authority of comparable standing.

“GASB” shall mean the Governmental Accounting Standards Board of the Financial Accounting Foundation or any successor thereto.

“Governmental Approvals” shall mean an applicable authorization, consent, approval, license, or exemption of, registration or filing with, or report to any Governmental Authority.

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

“Included Taxes” shall mean Taxes other than Excluded Taxes.

“Indenture” shall mean the Master Indenture, as supplemented by the Supplemental Indenture, and as the Master Indenture may be further amended, supplemented or modified from time to time in accordance with the terms thereof to the extent such amendment, supplement or modification relates to or affects the Series 2014B Bonds.

“Index Rate Mode” shall have the meaning given such term in the Supplemental Indenture.

“Initial Index Rate Closing Date” shall mean the date on which the Series 2014B Bonds are purchased by the Bank.

“Initial Index Rate Mandatory Repurchase Date” means, initially, June 26, 2015; and if on June 26, 2015 the conditions forth in Section 7(b) are satisfied, the Initial Index Rate Mandatory Repurchase Date shall mean June 24, 2016; and if on June 24, 2016, the conditions set forth in Section 7(b) are satisfied, the Initial Index Rate Mandatory Repurchase Date shall mean the Final Initial Index Rate Mandatory Repurchase Date; *provided*, that in no event shall the Initial Index Rate Mandatory Repurchase Date extend beyond the Final Initial Index Rate Mandatory Repurchase Date

“Initial Term Loan Payment Date” means the first Business Day of the sixth (6th) full calendar month immediately following the Initial Index Rate Mandatory Repurchase Date.

“Interest Rate Mode” shall have the meaning given such term in the Supplemental Indenture.

“Interest Payment Date” shall mean the first Business Day of each calendar month.

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

“LIBOR Index” means, for each Computation Date, the rate per annum equal to the London Interbank Offered Rate (or a comparable or successor rate which is approved by the Bank), as published by Bloomberg (or other commercially available source providing quotations of such rate as selected by the Bank from time to time) at approximately 11:00 a.m. London time two (2) London Banking Days before the next succeeding LIBOR Index Rate Reset Date, for U.S. Dollar deposits (for delivery on the next succeeding LIBOR Index Reset Date) with a term equivalent to one month. If such rate is not available at such time for any reason, then the rate for that interest period will be determined by such alternate method as reasonably selected by the Bank.

“LIBOR Index Rate” means a per annum rate of interest established on each Computation Date equal to the sum of (i) the Applicable Spread plus (ii) the product of (x) the LIBOR Index multiplied by (y) the Applicable Factor.

“LIBOR Index Reset Date” shall mean the first Business Day of each calendar month.

“London Banking Day” means a day on which banks in London are open for business and dealing in offshore dollars.

“Majority Bondholder” means Bondholders owning more than 50% of the aggregate principal amount of the Series 2014B Bonds from time to time. As of the Initial Index Rate Closing Date, Banc of America Preferred Funding Corporation shall be the Majority Bondholder.

“Mandatory Tender Repurchase Price” shall mean an amount equal to 100% of the aggregate principal amount of the Series 2014B Bonds subject to mandatory repurchase on the Initial Index Rate Mandatory Repurchase Date and accrued interest thereon, if applicable.

“Master Indenture” shall mean the Master Trust Indenture, dated as of December 1, 2004, by and between the District and the Trustee.

“Maximum Rate” shall mean an interest rate per annum equal to the lesser of (a) the maximum non-usurious rate of interest on the relevant obligation permitted by applicable law, and (b) twelve percent (12%).

“Minimum Bond Rating” shall mean “BBB” by Fitch, “Baa2” by Moody’s or “BBB” by S&P.

“Moody’s” shall mean Moody’s Investors Service, Inc., its successors and assigns.

“Non-Bank Transferee” shall have the meaning set forth in Section 18(c) of this Agreement.

“Obligations” shall mean all amounts payable by the District, and all other obligations to be performed by the District, pursuant to this Agreement and the other Financing Documents (including, without limitation, all Payment Obligations and obligations of the District to pay any amounts to reimburse the Bank for any advances or expenditures by it under any of such documents).

“OFAC” shall have the meaning set forth in Section 27(b)(iv) hereof.

“Optional Redemption Premium” shall mean a dollar amount that is the product of (i) the Applicable Spread in effect on any date prior to the first anniversary of the Initial Index Rate Closing Date on which all or any portion of the Series 2014B Bonds are redeemed or the interest rate on the Series 2014B Bonds is converted to a rate other than the LIBOR Index Rate, (ii) the principal amount of the Series 2014B Bonds so redeemed or converted, and (iii) a fraction, the numerator of which is the number of days from and including the date of redemption or conversion to and including such first anniversary, and the denominator of which is 365.

“Other Taxes” means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies charged or levied against the District arising from any payment made hereunder or under any other Financing Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Financing Document.

“Parity Debt” shall mean general obligation bonds, bond anticipation notes and similar obligations of the District payable and secured on parity with the Series 2014B Bonds.

“Participant” shall have the meaning set forth in Section 18(d) of this Agreement.

“Payment Obligations” shall have the meaning set forth in Section 2(g) of this Agreement.

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

“Prime Rate” shall mean on any day, the rate of interest in effect for such day as publicly announced from time to time by Bank of America, N.A. as its “prime rate.” The “*prime rate*” is a rate set by Bank of America, N.A. based upon various factors including Bank of America, N.A.’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by Bank of America, N.A. shall take effect at the opening of business on the day specified in the public announcement of such change.

“Purchaser Rate” means a fluctuating interest rate per annum which, for each day, shall equal (i) for the period from and including the Final Initial Index Rate Mandatory Repurchase Date to and including the ninetieth (90th) day immediately succeeding the Final Initial Index Rate Mandatory Repurchase Date, the Base Rate from time to time in effect and (ii) for the period from and after the ninety-first (91st) day immediately succeeding the Final Initial Index Rate Mandatory Repurchase Date, the Base Rate from time to time in effect *plus* one percent (1.0%); *provided* that subject to the provisions of Section 36 hereof, the Purchaser Rate shall not exceed the Maximum Rate; and, *provided further, that* if a CCA Event of Default has occurred and is continuing, the Purchaser Rate shall equal the Default Rate; *provided even further*, that if the District has not repaid, redeemed or caused the defeasance of Citi Bonds in full on or prior to the date that is ninety (90) days from the Initial Index Rate Closing Date, the Purchaser Rate so in effect at that time shall be increased by an additional 0.75% until such time as the Citi Bonds are paid or redeemed in full or fully defeased.

“Rating Agency” shall have the meaning set forth in the Supplemental Indenture.

“Recaptured Interest” shall mean an amount equal to the difference between (i) the amount of interest that would have accrued on the Series 2014B Bonds if interest had been calculated at the Maximum Rate during a fiscal year, and (ii) the amount of interest that actually accrued on the Series 2014B Bonds at interest rates lower than the Maximum Rate for such fiscal year.

“Recaptured Interest Commencement Date” shall have the meaning set forth in Section 36 hereof. *“Series 2014B Bonds”* shall have the meaning ascribed to such term in the recitals hereto.

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

“*Supplemental Indenture*” shall mean the Eighth Supplemental Trust Indenture dated as of June 1, 2014, as the same may be further amended, supplemented or modified from time to time in accordance with the terms thereof.

“*Swap Policy*” shall mean the swap policy delivered to the Bank pursuant to Section 7(o) hereof.

“*Taxable Date*” shall mean the date as of which interest on the Series 2014B Bonds is first includable in the gross income of the Bank as a result of the District’s actions or the District’s failure to take action, as determined pursuant to (i) a written opinion by a nationally recognized firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance, (ii) the entry of a final decree or judgment of any federal court or the issuance by the Internal Revenue Service of a final determination letter that is delivered to the Issuer, or (iii) the execution of a closing agreement with the IRS or other relevant government agency (or any settlement agreement, however denominated) that treats the interest on the Series 2014B Bonds as other than excludable from gross income.

“*Taxable Payments*” shall mean (i) an amount equal to the positive difference between (A) the amount of interest paid on the Series 2014B Bonds during the Taxable Period, and (B) the amount of interest that would have been paid during such Taxable Period had the Series 2014B Bonds borne interest at the Taxable Rate, plus (ii) subject to Section 14, an amount equal to any interest, penalties or charges owed by the Bank as a result of interest on becoming includable in the gross income of the Bank, as a result of the District’s actions or the District’s failure to take action, together with any and all attorneys’ fees, court costs, or other out-of-pocket costs incurred by the Bank in connection therewith in an amount to be determined and mutually agreed upon by the parties at such time.

“*Taxable Period*” shall mean the period of time during which interest on the Series 2014B Bonds is includable in the gross income of the applicable Bondholder, which period shall commence with the Taxable Date.

“*Taxable Rate*” shall mean, with respect to a Taxable Period, the product of (i) interest rate on the Series 2014B Bonds during such period and (ii) 1.54; *provided* that subject to the provisions of Section 36 hereof, the Taxable Rate shall not exceed the Maximum Rate.

“*Taxes*” shall mean all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority as a result of the actions of the District or the District’s failure to act, including any interest, fines, additions to tax or penalties applicable thereto.

“*Term Loan End Date*” means the earliest to occur of (a) the third (3rd) anniversary of the Initial Index Rate Mandatory Repurchase Date, (b) the date on which the interest rate on all of the Series 2014B Bonds have been converted to an interest rate other than the LIBOR Index

Rate and (c) the date on which all Bonds are redeemed, repaid, prepaid or cancelled in accordance with the terms of the Indenture.

“Term Loan Period” shall mean the period of time beginning on the Initial Index Rate Mandatory Repurchase Date and ending on the Term Loan End Date.

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

“Trust Estate” shall have the meaning given such term in the Indenture.

“Trustee” shall mean Wells Fargo Bank, N.A., a national banking association, solely in its capacity as trustee, paying agent and tender agent under the Indenture. Except as otherwise provided herein, the Trustee shall be deemed to be acting as the “Paying Agent” and the “Tender Agent,” as such terms are defined in and used in the Indenture. All references herein to the “Trustee” are deemed to include references to the “Paying Agent” or the “Tender Agent” if the “Paying Agent” or the “Tender Agent”, rather than the Trustee, is authorized or required by the terms of the Indenture to take any actions attributed to the Trustee hereunder.

“USA Patriot Act” shall mean the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56, as the same has been, or shall hereafter be, renewed, extended, amended or replaced.

In this Agreement (i) in the computation of a period of time from a specified date to a later specified date, unless otherwise indicated, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding”; (ii) all accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles consistently applied, except as otherwise stated or defined herein; (iii) the singular includes the plural and the plural, the singular; (iv) words importing any gender include the other genders; (v) references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute to which reference is made and all regulations promulgated pursuant to such statutes; (vi) references to “writing” include printing, photocopy, typing, and other means of reproducing words in a tangible visible form; (vii) the words “including”, “includes” and “include” shall be deemed to be followed by the words “without limitation”; (viii) references to Sections (or sub-divisions of sections), Appendices and Schedules are to those of this Agreement unless otherwise indicated; (ix) references to agreements and other contractual instruments shall be deemed to include all subsequent amendments, modifications, changes and waivers to such instruments, but only to the extent that such amendments, modifications, changes and waivers are permitted or not prohibited by the terms of this Agreement or the affected agreement or contractual instruments; and (x) references to Persons include their respective permitted successors and assigns.

SECTION 2. PURCHASE OF THE SERIES 2014B BONDS; PAYMENT OBLIGATIONS.

(a) *Purchase of the Series 2014B Bonds.* The Bank agrees to purchase all (but not less than all) of the Series 2014B Bonds, upon the terms, subject to the conditions, and relying upon the representations and warranties of the District contained in the Financing Documents to which it is a party. Upon purchasing the Series 2014B Bonds, the Bank shall be entitled to all rights and privileges accorded Bondholders (including the right to receive payments of principal or accrued interest with respect to the Series 2014B Bonds). Bondholders shall be recognized by the District and the Trustee as the true and lawful absolute owners of the Series 2014B Bonds, free from any claims, liens, security, interests, equitable interest and other interests of the District and the Trustee, except as such interests might exist under the terms of the Series 2014B Bonds with respect to all owners. The Bank shall hold the sole legal and beneficial interest in and to all the Series 2014B Bonds, subject to no lien, security interest, or claim of the District, or any Person claiming through the District, other than the Bank, except for consensual liens or other security interests as may be created by the Bank.

(b) *Index Rate.* The Series 2014B Bonds will bear interest at the LIBOR Index Rate as established in accordance with the terms hereof and the Supplemental Indenture.

(c) *Taxable Rate.* From and after a Taxable Date and during the Taxable Period, in addition to receiving interest on the Series 2014B Bonds at the Taxable Rate, the District shall pay to the Bank the Taxable Payments on each Interest Payment Date.

(d) *Default Rate.* From and after the occurrence of a CCA Event of Default hereunder, but only for so long as such CCA Event of Default shall be continuing, the Series 2014B Bonds and any other amounts due hereunder shall accrue interest at the Default Rate.

(e) *Initial Index Rate Mandatory Repurchase Date.* In the event the Bank has not received the Mandatory Tender Repurchase Price on the Initial Index Rate Mandatory Repurchase Date then in effect, the District shall cause the Series 2014B Bonds to be redeemed on such Initial Index Rate Mandatory Repurchase Date; *provided* that if the Bank has not received the Mandatory Tender Repurchase Price on the Final Initial Index Rate Mandatory Repurchase Date, and (i) no CCA Event of Default shall have occurred and be continuing and (ii) all representations and warranties are true and correct as of the Final Initial Index Rate Mandatory Repurchase Date, then during the Term Loan Period, the District shall cause the Series 2014B Bonds to be redeemed in equal (or nearly equal) semi annual principal installments on each Term Loan Payment Date and interest on the Series 2014B Bonds shall accrue at the Purchaser Rate payable monthly in arrears on each Interest Payment Date. The entire principal amount remaining unpaid, all accrued interest thereon and all other amounts payable to the Bank shall be repaid in full on the Term Loan End Date. Any amount of principal outstanding may be prepaid on any Interest Payment Date without penalty. Anything herein to the contrary notwithstanding, upon the occurrence of a CCA Event of Default prior to the Initial Index Rate Mandatory Repurchase Date then in effect, the District shall cause the Series 2014B Bonds to be redeemed on the later of (A) the then current Initial Index Rate Mandatory Repurchase Date and (B) the date that is 180 days after the occurrence of such CCA Event of Default.

(f) *Excess Interest.* If at any time the Index Rate, the Purchaser Rate, the Default Rate or the Taxable Rate payable on the Series 2014B Bonds or under this Agreement shall exceed the Maximum Rate for any day for which interest is payable, any Excess Interest arising on any Interest Payment Date shall be paid in accordance with Section 36.

(g) *Payment Obligations.* The obligations of the District to pay the Bank the principal of and interest on the Series 2014B Bonds as set forth in this Section 2, together with all interest due thereon (including the Mandatory Tender Repurchase Price, redemptions payable on any Term Loan Payment Date pursuant to subsection (e) above and Recaptured Interest payable pursuant to Section 36) are collectively referred to as the "Payment Obligations".

SECTION 3. RENEWAL.

Upon the receipt of written notification from the District of its desire to change interest rate modes (including converting to another Index Rate Mode), the Bank will, not more than 60 days after such notification, notify the District in writing whether or not the Bank agrees to either purchase the Series 2014B Bonds in a new Index Rate Mode or provide liquidity or credit enhancement necessary to facilitate the conversion of the Series 2014B Bonds to another interest rate mode and the terms under which the Bank will purchase the Series 2014B Bonds or provide such liquidity or credit enhancement. If the Bank fails to notify the District of its decision within such 60 day period, the Bank shall be deemed to have rejected such request.

SECTION 4. METHOD OF PAYMENT.

All payments of principal, interest and purchase price of the Series 2014B Bonds shall be payable in accordance with the Indenture. All payments of fees and other amounts to be made by the District to the Bank under this Agreement shall be made not later than 12:00 noon (New York City time) on the date when due and shall be made in lawful money of the United States of America (in freely transferable U.S. dollars) and in immediately available funds at the Bank in New York City. All payments made after 12:00 noon (New York City time) shall be deemed to have been made on the next Business Day following the date when such payment was due.

SECTION 5. REDEMPTION.

The District may optionally redeem or convert the Series 2014B Bonds to another Interest Rate Mode (or to another Index Rate Mode) prior to the Initial Mandatory Purchase Date only on an Interest Payment Date and upon thirty (30) days prior written notice to the Bank and compliance with the provisions of the Indenture; *provided, however*, that if any such optional redemption or conversion occurs prior to the first anniversary of the Initial Index Rate Closing Date, the District shall pay to the Bank the Optional Redemption Premium.

SECTION 6. CERTAIN SECURITY GRANTED BY THE DISTRICT.

The Payment Obligations are general obligations of the District and the full faith and credit of the District are pledged to the payment thereof. The Payment Obligations are secured by a first priority security interest in the Trust Estate granted under the Indenture.

SECTION 7. CONDITIONS PRECEDENT.

(a) As conditions precedent to the obligation of the Bank to purchase the Series 2014B Bonds, the District shall have provided to the Bank, on or before the Initial Index Rate Closing Date:

(i) true and correct copies of all governmental approvals, if any, necessary for the District to execute, deliver and perform its obligations under the Financing Documents;

(ii) the written opinion of the Office of the Attorney General addressed to the Bank, dated the Initial Index Rate Closing Date and in form and substance satisfactory to the Bank;

(iii) the written opinion of Bond Counsel (as defined in the Indenture) and a reliance letter addressed to the Bank, dated the Initial Index Rate Closing Date and in form and substance satisfactory to the Bank;

(iv) a specimen copy of the Series 2014B Bonds and evidence that a CUSIP number has been obtained and reserved from Standard & Poor's CUSIP Services for the Series 2014B Bonds;

(v) a certificate dated as of the Initial Index Rate Closing Date of the District as to the incumbency of the signatories to each Financing Document to which it is a party and attaching copies of resolution(s) authorizing the execution, delivery and performance of such Financing Documents;

(vi) a certificate of the District, signed by an Authorized Delegate of the District, dated the Initial Index Rate Closing Date, stating that on the Initial Index Rate Closing Date: (A) the representations and warranties contained herein and in the Financing Documents are true and correct on and as of the Initial Index Rate Closing Date as though made on such date; (B) no CCA Event of Default has occurred and is continuing, or would result from the purchase of the Series 2014B Bonds by the Bank, the execution and delivery of this Agreement or any other Financing Document to which the District is a party, and no event has occurred and is continuing which would constitute a CCA Event of Default but for the requirement that notice be given or time elapse or both; and (C) there have been no material adverse changes in the affairs of the District, financial or otherwise, since the audited financial statements for the twelve-month period ending on September 30, 2013;

(vii) a covenant compliance certificate in form and substance satisfactory to the Bank;

(viii) executed counterparts of the Financing Documents;

(ix) receipt of all fees, costs and expenses payable to the Bank and its counsel as of the Initial Index Rate Closing Date by or on behalf of the District;

(x) audited financial statements of the District for the twelve-month period ending on September 30, 2013, in form and substance acceptable to the Bank and prepared in accordance with GAAP;

(xi) evidence of Federal authorization of the local portion of the District's adopted fiscal 2014 budget;

(xii) evidence satisfactory to the Bank that the District's unenhanced, long term debt ratings are at least "AA-", "Aa2" and "AA-" by S&P, Moody's and Fitch, respectively;

(xiii) evidence satisfactory to the Bank that there has been no amendment or proposed amendment to the Home Rule Act of the District of Columbia or any published administrative interpretation of the Home Rule Act of the District of Columbia or any District of Columbia law, or any published Attorney General of the District of Columbia opinion or judicial decision interpreting any of the foregoing, and there is no legislation that has passed by the Council of the District of Columbia, in each case, that could materially adversely affect the remarketing of any of the Series 2014B Bonds, any security for any of the Series 2014B Bonds or the District's ability to repay when due its obligations under this Agreement, any of the Series 2014B Bonds and the other Financing Documents, as determined by the Bank in its sole discretion;

(xiv) evidence satisfactory to the Bank that the District has received all consents, licenses, approvals, validations and authorizations of, and filings, registrations, validations and declarations by or with, and formal exemptions from, any court or any Governmental Authority having competent jurisdiction over the District, or other Person required in connection with, the execution, delivery, performance, validity and enforceability of this Agreement and the Financing Documents (including the Series 2014B Bonds) to which the District is or will be a party and that the same are in full force and effect;

(xv) a copy of the District's Swap Policy currently in effect; and

(xvi) such other documents, certificates and opinions as the Bank or its counsel may reasonably request and the acceptability of such documents, certificates and opinions to such counsel.

(b) As conditions precedent to the extension of the Initial Index Rate Mandatory Repurchase Date for each additional one year period as described in the definition of “Initial Index Rate Mandatory Repurchase Date,” (A) no CCA Event of Default shall have occurred and be continuing on the Initial Index Rate Mandatory Repurchase Date then in effect and, no event shall have occurred and be continuing which would constitute a CCA Event of Default but for the requirement that notice be given or time elapse or both on such Initial Index Rate Mandatory Repurchase Date, and (B) on or before the Initial Index Rate Mandatory Repurchase Date then in effect, the District shall have delivered to the Bank a certificate of the District, signed by an Authorized Delegate of the District, dated the Initial Index Rate Mandatory Repurchase Date then in effect, stating that as of the such Initial Index Rate Mandatory Repurchase Date no CCA Event of Default has occurred and is continuing and, to the knowledge of the District, no event has occurred and is continuing which would constitute a CCA Event of Default but for the requirement that notice be given or time elapse or both.

SECTION 8. REPRESENTATIONS AND WARRANTIES OF THE DISTRICT.

The District represents and warrants, as of the Initial Index Rate Closing Date, that:

(a) *Authority.* The District is duly organized and validly existing as a body corporate for municipal purposes. The District has the requisite power and authority to execute and deliver, and to perform its obligations under, this Agreement and the other Financing Documents to which it is or will be a party.

(b) *Authorization; Legal, Valid and Binding Obligations.* The execution and delivery by the District of this Agreement and the other Financing Documents to which the District is or will be a party have been duly authorized by all necessary legislative action of the District, and no further approval, authorization or consent is required by law or otherwise. This Agreement and such other Financing Documents constitute the legal, valid and binding obligations of the District backed by its full faith and credit with respect to the Payment Obligations (but not any other obligations of the District hereunder), and are enforceable in accordance with their respective terms, except as such enforceability may be limited by insolvency, moratorium or other laws or equitable principles relating to the enforcement of creditors’ rights generally, and by general principles of equity. The Payment Obligations are not subject to appropriation. Each of the Financing Documents is or will be in full force and effect on the Initial Index Rate Closing Date.

(c) *No Conflict.* Neither the execution and delivery by the District of this Agreement and the other Financing Documents to which the District is or will be a party, nor the consummation of the transactions contemplated hereby or thereby nor performance or compliance with the provisions hereof or thereof, will (i) violate any law, rule or regulation or any order, writ, judgment, injunction, decree or award of any court, arbitrator or Governmental Authority having competent jurisdiction over the District, (ii) violate or conflict with, or constitute a default under, any mortgage, indenture, contract or other undertaking by which the District or any of its property or assets is bound, or (iii) except as provided in this Agreement and the Indenture, result in the creation or

imposition of any security interest, lien, charge, claim or encumbrance pursuant to the terms thereof.

(d) *Consents and Approvals.* All consents, approvals, validations and authorizations of, and filings, registrations, validations and declarations by or with, and formal exemptions from, any court or any Governmental Authority having competent jurisdiction over the District, or other Person required in connection with, the execution, delivery, performance, validity and enforceability of this Agreement and the Financing Documents (including the Series 2014B Bonds) to which the District is or will be a party have been obtained and are in full force and effect.

(e) *Litigation.* Except to the extent disclosed to the Bank in writing, there is no action, suit, proceeding, inquiry or investigation before or by any court, arbitrator, public board or other body of competent jurisdiction pending or, to the best knowledge of the District, threatened against or affecting the District wherein an unfavorable decision, ruling or finding would have a material adverse effect on the properties, business, condition (financial or other), results of operations or prospects of the District or the transactions contemplated by this Agreement or the other Financing Documents, or which would adversely affect the validity or enforceability of, or the authority or ability of the District to perform its obligations under, this Agreement and the other Financing Documents to which it is a party.

(f) *No Violations.* The District is not in violation of any material term of any bond or indenture agreement to which it is a party and to which its full faith and credit is pledged for the payment thereof or by which any of its property or assets is bound for the repayment of debt.

(g) *No Defaults.* Each Financing Document to which the District is a party is a legal, valid and binding obligation of the District, has not been terminated, cancelled or waived in any material respect and is in full force and effect, and the District is not in default under any such Financing Document.

(h) *Financial Statements.* The statements of financial position of the District as of September 30, 2013, and the related statements of activities and statements of cash flows for the fiscal year then ended and the auditors' reports with respect thereto, correctly and fairly present the financial position, changes in financial position and results of operations of the District at and for the period ended on such date, and were prepared in accordance with GAAP. Since September 30, 2013, there has been no material adverse change in the properties, business, condition (financial or other), results of operations or prospects of the District.

(i) *Accurate Information.* All information, reports and other papers and data with respect to the District furnished to the Bank were, at the time the same were so furnished, accurate in all material respects. Any financial, budget and other projections furnished to the Bank were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of conditions existing at the

time of delivery of such financial, budget or other projections, and represented and, as of the date of this representation, represent the District's best estimate of its future financial performance. No fact is known to the District and no transaction or event has occurred that materially adversely affects or could materially adversely affect the security for any of the Series 2014B Bonds or the District's ability to repay when due its obligations under this Agreement, any of the Series 2014B Bonds and the other Financing Documents. Taken as a whole, the documents furnished and statements made to the Bank in connection with the negotiation, preparation or execution of this Agreement and the other Financing Documents, as of the date so furnished or made, did not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading. Except for such amendments supplied by the District to the Bank in conjunction with the delivery of this Agreement, there have been no amendments or supplements to the Financing Documents.

(j) *No Proposed Legal Changes.* There is no amendment or, to the best knowledge of the District, proposed amendment to the Home Rule Act of the District of Columbia or any published administrative interpretation of the Home Rule Act of the District of Columbia or any District of Columbia law, or any published Attorney General of the District of Columbia opinion or judicial decision interpreting any of the foregoing, and there is no legislation that has passed by the Council of the District of Columbia, in each case, that could materially adversely affect the remarketing of any of the Series 2014B Bonds, any security for any of the Series 2014B Bonds or the District's ability to repay when due its obligations under this Agreement, any of the Series 2014B Bonds and the other Financing Documents.

(k) *Compliance with Laws.* To the best knowledge of the District, with regard to noncompliance that would have a material adverse affect on the District's ability to perform its obligations under the Financing Documents, the District is in material compliance with all statutes, rules, regulations, orders, writs, judgments, injunctions, decrees or awards of any Governmental Authority having jurisdiction over the District or the ownership or use of its property or assets, the conduct of its business or the premises occupied by it or to which it is otherwise subject.

(l) *Interest Rate.* The terms of this Agreement and the Financing Documents regarding the calculation and payment of interest and fees do not violate any applicable usury laws.

(m) *ERISA Compliance.* To the best knowledge of the District, it is in full compliance with the requirements of ERISA and the Code, and the District has not received any notice to the effect that it is not in full compliance with any of the requirements of ERISA or the Code.

(n) *Regulation U.* The District is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System); and no

proceeds of the Series 2014B Bonds have been or will be used to extend credit to others for the purpose of purchasing or carrying any margin stock.

(o) *Tax-Exempt Status.* The District has not taken any action or omitted to take any action, and knows of no action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest on the Series 2014B Bonds from gross income for Federal income tax purposes or the exemption of such interest from taxation by the District of Columbia, except for inheritance, estate and gifts taxes.

(p) *Purchased Bonds.* The Series 2014B Bonds purchased by the Bank pursuant to the terms hereof will be transferred to the Bank free and clear of all security interests, liens, charges claims or encumbrances of any Person other than the Bank, except for consensual liens or other security interests as may be created by the Bank.

(q) *Bond Proceeds.* The proceeds of the Series 2014B Bonds have been used for the purposes set forth in the Financing Documents.

(r) *Validity of Lien.* The lien granted under the Indenture on the Trust Estate is a valid and enforceable lien securing the payment of the Series 2014B Bonds and the Payment Obligations. The Payment Obligations will rank at least equally in right of payment by the District with all other Parity Debt.

SECTION 9. AFFIRMATIVE COVENANTS OF THE DISTRICT.

The District covenants and agrees with the Bank that, so long as the Bank owns all or any portion of the Series 2014B Bonds or until the full and final payment and satisfaction of all of the Obligations to the Bank, unless the Bank shall otherwise consent in writing, that:

(a) *Reporting Requirements.* The District shall keep, or cause to be kept, proper books of record and account in which full, true and correct entries will be made reflecting all financial transactions of the District in accordance with GAAP, consistently applied, and will furnish to the Bank a copy of each of the following:

(i) as soon as available, and in any event within two hundred seventy (270) days after the close of each fiscal year of the District, the most recent audited statements of financial position, the related statements of activities and statements of cash flows for the fiscal year then ended and the auditors' reports with respect thereto;

(ii) concurrently with the furnishing of the financial statements under Section 9(a)(i) hereof, a certificate signed by an Authorized Delegate of the District stating that (A) the District has complied with all of the terms, provisions and conditions of this Agreement and the other Financing Documents to which it is a party, (B) to the best of his/her knowledge, the District has kept, observed, performed and fulfilled each covenant, provision and condition of this Agreement

and the other Financing Documents to which it is a party, required on its part to be performed, and (C) no Default or CCA Event of Default has occurred or, if such Default or CCA Event of Default has occurred, specifying the nature of such Default or CCA Event of Default, the period of its existence, the nature and status thereof and any remedial steps taken or proposed to correct such Default or CCA Event of Default;

(iii) forthwith and, in any event, within five (5) Business Days after the District obtains actual knowledge thereof, a certificate of the District setting forth the occurrence of any Default or CCA Event of Default, the details thereof and the action which the District is taking or proposes to take with respect thereto;

(iv) promptly after the adoption thereof, copies of any amendments to the Financing Documents;

(v) promptly after becoming known to any officer of the District upon whom process has been legally served or promptly after becoming known to an officer of the District, notice of any action, suit, proceeding, inquiry or investigation before or by any court, arbitrator, public board or other body of competent jurisdiction against or affecting the District wherein an unfavorable decision, ruling or finding would have a material adverse effect on the properties, business, condition (financial or other), results of operations or prospects of the District or the transactions contemplated by this Agreement or the Financing Documents, or which would adversely affect the validity or enforceability of or the authority or ability of the District to perform its obligations under, this Agreement and the other Financing Documents to which it is a party;

(vi) copies of any communications delivered or received by it under any of the Financing Documents (unless, with respect to communications received by it under any of the Financing Documents, the same are required to be furnished by the sender thereof directly to the Bank under the terms of such Financing Documents), or from any taxing authority or Rating Agency with respect to the transactions contemplated hereby; and

(vii) such other information respecting the affairs, condition and/or operations, financial or otherwise, of the District as the Bank may from time to time reasonably request.

(b) *Compliance with Laws.* The District shall comply with all applicable statutes, rules, regulations, orders, writs, judgments, injunctions, decrees or awards of any Governmental Authority having jurisdiction over the District or the ownership or use of its property or assets, the conduct of its business or the premises occupied by it or to which it is otherwise subject, except as to those statutes, rules, regulations, orders, writs, judgments, injunctions, decrees or awards for which noncompliance would not have a material adverse affect on the financial condition or operations of the District or the ability of the District to perform its obligations under the Financing Documents;

provided, however, that the District may contest the validity or application thereof and appeal or otherwise seek relief therefrom, and exercise any and all of the rights and remedies which it may have with regard thereto, so long as such acts do not affect the District's power and authority to execute this Agreement and the other Financing Documents to which it is a party or to perform its obligations and pay all amounts payable by it hereunder and thereunder.

(c) *Inspection Rights.* To the extent permitted by law, the District shall at all reasonable times during regular business hours, upon the written request of the Bank, permit the Bank by its representatives to inspect, to the extent permitted by law, the properties, books of account, records, reports and other papers of the District, to take copies and extracts therefrom, and to discuss the affairs, finances and accounts of the District with the chief financial officer of the District or the independent public accountants of the District. The District will afford and procure a reasonable opportunity to make any such inspection, and the District will furnish to the Bank any and all information as the Bank may reasonably request, with respect to the performance by the District of the District's covenants in this Agreement; *provided*, that such inspection shall not interfere with the normal business of the District and the District incurs no out-of-pocket expenses as a result thereof; *provided further, however*, that from and after the occurrence and during the continuance of any CCA Event of Default, the costs of any inspection by the Bank or the furnishing of any information to the Bank shall be, subject to the provisions of Section 14 hereof, for the account of the District.

(d) *Keeping of Records and Books of Account.* Keep or cause to be kept proper records and books of account, including proper records and books of account in which correct and complete entries will be made in accordance with GAAP, reflecting all of its financial transactions.

(e) *Maintenance of Approvals, Filings and Registrations.* At all times maintain in effect, renew and comply with all the terms and conditions of all consents, licenses, approvals and authorizations as may be necessary or appropriate under any applicable law or regulation for the execution, delivery and performance of the Financing Documents to which it is party, and to make such Financing Documents legal, valid, binding and enforceable, in accordance with their terms.

(f) *Bond Proceeds.* Use the proceeds of the Series 2014B Bonds for the purposes set forth in the Bond Act.

(g) *Sinking Fund Deposits.* Make deposits required by the Indenture in the amounts and at the times as shall be necessary to satisfy the mandatory sinking fund obligations described therein.

(h) *Incorporation of Certain Covenants.* Perform and comply with each and every affirmative covenant, negative covenant and agreement required to be performed or observed by it in the Indenture and the other Financing Documents to which it is a party which provisions, as well as related defined terms contained therein (as such provisions

and defined terms are in effect on the date hereof), are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety.

(i) *Further Assurance.* Execute and deliver to the Bank all such documents and instruments and do all such other acts and things as may be reasonably necessary or required by the Bank to enable the Bank to exercise and enforce its rights under the Financing Documents and to record and file and re-record and re-file all such documents and instruments, at such time or times, in such manner and at such place or places, all as may be necessary or required by the Bank to validate, preserve and protect the position of the Bank under the Financing Documents.

(j) *ERISA.* To the extent applicable to the District, the District shall comply with the provisions of ERISA and the Code with respect to each employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and either (i) is maintained for employees of the District, (ii) is maintained pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and to which the District is a part of or has within the preceding five plan years made contributions, or (iii) under which the District is a part of or has any liability, including any liability by reason of having been a substantial employer within the meaning of Section 4063 of ERISA at any time during the preceding five years or by reason of being deemed a contributing sponsor under Section 4069 of ERISA.

(k) *Notices.* The District will promptly furnish, or cause to be furnished, to the Bank (i) notice of the occurrence of any CCA Event of Default or Default as defined herein or in the Indenture, (ii) notice of the failure by the Trustee to perform any of its material obligations under the Indenture, (iii) each notice required to be given by the District to any party under the Financing Documents (unless with respect to communications received by it under any of the Financing Documents, the same are required to be furnished by the sender thereof directly to the Bank under the terms of such Financing Documents) pursuant to the Indenture, and (iv) such further financial and other information with respect to the District and its affairs as the Bank may reasonably request from time to time.

SECTION 10. NEGATIVE COVENANTS OF THE DISTRICT.

The District covenants and agrees with the Bank that, so long as the Bank owns all or any portion of the Series 2014B Bonds or until the full and final payment and satisfaction of all of the Obligations to the Bank, unless the Bank shall otherwise consent in writing, that the District will not, directly or indirectly:

(a) *Tax-Exemption.* Take any action or omit to take any action which, if taken or omitted, would adversely affect (i) the exclusion of interest on the Series 2014B Bonds from gross income for federal income tax purposes; or (ii) the exemption of such interest from taxation by the District of Columbia, except for inheritance, estate and gift taxes.

(b) *Accounting Treatment.* Change accounting treatment and reporting practices in manner that would adversely affect the Series 2014B Bonds, except as otherwise required by changes in federal tax rules, GASB, FASB or to the extent deemed appropriate in the reasonable judgment of the independent certified public accountants that are preparing the audited financial statements of the District.

(c) *Amendments to Financing Documents.* Amend, modify, terminate or grant, or permit the amendment, modification of, termination of or grant of any waiver under, or consent to, or knowingly permit or suffer to occur any action or omission which results in, or is equivalent to, an amendment, termination of, modification of, or grant of a waiver under the Financing Documents that could have a material adverse affect on (A) the ability of the District to perform its obligations under the Financing Documents or (B) the rights, interests, security or remedies of the Bank, without the prior written consent of the Bank as required under Section 22 hereof (which such consent shall not be unreasonably withheld).

(d) *Defeasance.* Voluntarily defease or direct the defeasance of any Bonds without (A) thirty (30) days the prior written notice to the Bank, and (B) payment in full on or prior to the contemplated date of defeasance of all unpaid amounts owing under this Agreement as of such date.

(e) *No Acceleration of Other Obligations.* The District will not, without the prior written consent of the Bank, enter into, or otherwise consent to, any credit agreement, standby bond purchase agreement, liquidity agreement, direct bond purchase agreement or other similar agreement or instrument (or any amendment, supplement or modification thereto), including, without limitation, any such agreement or instrument relating to the Citi Bonds if the Initial Put Date (as defined in the Citi Agreement) is extended beyond October 26, 2015, which agreement or instrument includes, or otherwise grants to any Person as a remedy upon the occurrence of an event of default, the right to accelerate the payment of the principal of or interest on any Parity Debt or to otherwise declare the principal of or interest on any such Parity Debt to be immediately due and payable prior to its maturity or cause such Parity Debt to be paid pursuant to a mandatory tender, mandatory redemption or otherwise on any date other than a regularly scheduled payment date.

SECTION 11. EVENTS OF DEFAULT AND REMEDIES.

(a) If any of the following events shall occur and be continuing (each such event shall be a “CCA Event of Default”):

(i) any representation or warranty made by the District in any Financing Document or in any certificate, agreement, report instrument or statement contemplated by or made or pursuant to or in connection with this Agreement shall prove to have been false or misleading in any material respect when made;

(ii) failure of the District to make any payment of the principal of or interest on the Series 2014B Bonds or any other Payment Obligation as and when due;

(iii) failure of the District to make any payment of any amount when due under this Agreement (other than a Payment Obligation);

(iv) failure of the District to observe or perform the covenants set forth in Sections 9(a)(iii), 9(c) (but only with respect to the right to inspect and not the payment of the costs of such inspection), 9(f), 9(g), or 10 of this Agreement;

(v) failure of the District to observe or perform any other covenant set forth in this Agreement and such failure shall have continued for 180 consecutive days; *provided* that if the District is diligently seeking to cure such CCA Event of Default it may, by written notice to the Bank (which shall include detailed information regarding the actions being taken to cure), request up to an additional sixty (60) days to cure such CCA Event of Default, and the Bank shall not unreasonably reject such request;

(vi) any one of the long term ratings assigned to the Parity Debt is suspended or withdrawn for credit related reasons or downgraded below the Minimum Bond Rating;

(vii) the District makes an assignment for the benefit of creditors, enters into a composition agreement with creditors, files a petition in bankruptcy (to the extent permitted by law), is unable generally to pay its debts as they come due, is insolvent or bankrupt or there is entered any order or decree granting relief in any involuntary case commenced against the District under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or if the District petitions or applies to any tribunal or governmental entity for any receiver, trustee, liquidator, assignee, custodian or sequestrator (or other similar official) of the District or of any substantial part of the District's assets, or the District commences any case or proceeding in a court of law for a reorganization, readjustment of debt, dissolution, liquidation or other similar procedure under the law or statutes of any jurisdiction, whether now or hereafter in effect, or if there is commenced against the District any such case or proceeding in a court of law which remains undismissed or shall not be discharged or vacated, or such jurisdiction shall not be relinquished or the District shall not have commenced proceedings to dismiss such case, within sixty (60) days after commencement, or the District by any act indicates its consent to, approval of, or acquiescence in any such case or proceeding in a court of law, or to an order for relief in an involuntary case commenced against the District under any such law, or to the appointment of any receiver, trustee, liquidator, assignee, custodian, sequestrator (or other similar official) for the District or a substantial part of the District's assets, or if the District takes any action for the purposes of effecting the foregoing; or if the District becomes a debtor in a bankruptcy case or otherwise adjusts its debts under judicial administration or otherwise restructures its debts generally or is insolvent, bankrupt or unable to meet its debts as they become due;

(ix) any material provision of this Agreement or any of the other Financing Documents shall cease to be valid and binding; or the District shall deny that it has any or further liability hereunder or under any of the other Financing Documents;

(x) the District shall default in the payment of any principal of or premium, if any, or interest on any of its Parity Debt, or the District shall default in the performance of any agreement (including any Financing Document) under which any such Parity Debt is created if the effect of such default is to cause such Parity Debt to become, or to permit any holder or beneficiary thereof, or a trustee on behalf thereof, with notice if required, to declare such Parity Debt to be due prior to its normal maturity, after any applicable cure and payment periods, or a moratorium shall have been imposed by or with respect to the District with respect to any of its Parity Debt, or the occurrence of any of the foregoing may (in the reasonable judgment of the Bank) have a material adverse effect on the ability of the District to perform its obligations hereunder or under any Financing Document to which it is a party;

(xi) an “Event of Default” occurs as defined in any of the other Financing Documents; or

(xii) a final, non-appealable judgment is entered or issued against the District in an aggregate amount in excess of \$200,000,000 and not satisfied within one hundred twenty (120) days after entry or issuance thereof, *provided* that an agreement providing for payment of a judgment in installments over a period of time in excess of one hundred and twenty (120) days shall be considered satisfaction of such judgment.

(b) Upon the occurrence of any CCA Event of Default, the Bank may exercise, or cause to be exercised, any and all remedies it may have under any Financing Document or as otherwise available at law or in equity, including, without limitation, specific performance, mandamus or injunctive relief.

(c) Notwithstanding the exercise of any other remedies provided for herein, upon the occurrence and during the continuance of any CCA Event of Default, the Series 2014B Bonds and any amounts due hereunder shall bear interest at the Default Rate.

SECTION 12. INCREASED COSTS.

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

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

(ii) subject a Bondholder to any Tax of any kind whatsoever with respect to this Agreement or the Bonds, or change the basis of taxation of payments to such Bondholder in respect thereof (except for Included Taxes or Other Taxes covered by

Section 13 and the imposition of, or any change in the rate of any Excluded Tax payable by such Bondholder); or

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

and the result of any of the foregoing shall be to increase the cost to any such Bondholder with respect to this Agreement, the Bonds, or the making, maintenance or funding of the purchase price of the Bonds, or to reduce the amount of any sum received or receivable by such Bondholder hereunder (whether of principal, interest or any other amount) then, upon written request of such Bondholder pursuant to a Certificate for Reimbursement and subject to Section 14, the District shall promptly pay to such Bondholder, such additional amount or amounts as will compensate such Bondholder, for such additional costs incurred or reduction suffered.

(b) *Capital Requirements.* If a Bondholder determines that any Change in Law affecting such Bondholder or any such Bondholder's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Bondholder's capital or liquidity or on the capital or liquidity of such Bondholder's holding company, if any, as a consequence of this Agreement, or ownership of the Bonds, to a level below that which such Bondholder or such Bondholder's holding company could have achieved but for such Change in Law (taking into consideration such Bondholder's policies and the policies of such Bondholder's holding company with respect to capital adequacy), then upon written request of such Bondholder pursuant to a Certificate for Reimbursement and subject to Section 14, the District shall pay to such Bondholder, such additional amount or amounts as will compensate such Bondholder or such Bondholder's holding company for any such reduction suffered.

(c) *Certificates for Reimbursement.* Within one hundred eighty (180) days of notice or knowledge of a Change in Law, a Bondholder shall deliver a written certificate for reimbursement ("*Certificate for Reimbursement*") setting forth (i) the specific Change in Law that results in the cost increase in subsection (a) or the Capital Requirements set forth in subsection (b), (ii) the amount necessary to compensate such Bondholder or such Bondholder's parent or holding company, as the case may be, (iii) the reason such amounts are necessary, as specified in paragraph (a) or (b) of this Section and the calculation thereof in reasonable detail, and (iv) a copy of the applicable Change in Law. Such Certificate for Reimbursement shall be delivered to the District and shall be conclusive absent manifest error. The District shall pay such Bondholder the amount shown as due in such Certificate for Reimbursement as promptly as possible, consistent with Section 14.

(d) *Delay in Requests.* Failure or delay on the part of a Bondholder to demand compensation pursuant to this Section shall not constitute a waiver of such Bondholder's right to demand such compensation.

(e) *Obligation of the District.* Any obligation of the District to make a payment under the provisions of (b) or (c) shall be subject to Section 14 and subordinated to the payment of

principal and interest on the Series 2014B Bonds and replenishment of any debt service fund. The District shall have no obligation to make any payment under the provisions of (b) or (c) of this Section with respect to any Participant unless the event giving rise to such payment would apply to the Bank if the Bank had not granted a participation interest to such Participant. The Bank shall return any payment made to it by the District by virtue of the provisions of (b) or (c) of this Section for the period for which it is determined that there was no basis for any such payment.

(f) *Other Bondholder.* Notwithstanding anything herein to the contrary, no Bondholder shall be entitled to receive payment pursuant to Section 12 in an amount greater than the amount which would have been payable had the Bank not transferred the Series 2014B Bonds to such Bondholder.

SECTION 13. TAXES.

(a) *Payments Free of Taxes.* Any and all payments to the Bank by or on account of any obligation of the District hereunder or under the Series 2014B Bonds shall be made free and clear of and without reduction or withholding for any Included Taxes or Other Taxes; *provided* that if the District shall be required by Applicable Law to deduct any Included Taxes (including any Other Taxes) from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Bank receives an amount equal to the sum it would have received had no such deductions been made, (ii) the District shall make such deductions and (iii) the District shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with Applicable Law.

(b) *Payment of Other Taxes by the District.* Without limiting the provisions of paragraph (a) above, the District shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.

(c) *Reimbursement by the District.* The District shall reimburse the Bank, within thirty (30) days after demand together with a written certificate of tax reimbursement ("*Certificate of Tax Reimbursement*") therefor, for the full amount of any Included Taxes or Other Taxes (including Included Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Bank and any penalties, interest and reasonable expenses arising therefrom or with respect thereto. The Certificate of Tax Reimbursement shall specify: (i) the amount of the tax payment made by the Bank on behalf of the District and evidence of such payment, (ii) the amount of the tax levied, (iii) a copy of the Applicable Law authorizing the tax levy by the relevant Governmental Authority, and (iv) a detailed calculation and breakdown of the amount of the tax payment, penalties and interest paid, and the Bank's expenses arising therefrom. Nothing in this section shall impair, limit or waive the District's right to contest the tax levied.

(d) *Evidence of Payments.* As soon as practicable after any payment of Included Taxes or Other Taxes by the District to a Governmental Authority pursuant to clause (a) or (b) above, the District shall deliver to the Bank, the original or a certified copy of a receipt issued by such

Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Bank.

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

SECTION 14. COSTS AND EXPENSES.

(a) All requests that the District make payments pursuant to Sections 9(c), 12, 13, 15, 16, 21 or 32, or as otherwise specifically required by this Agreement, or any subsequent agreement are and shall remain subject to the provisions of (i) the federal Anti-Deficiency Act, 31 U.S.C. §§ 1341, 1342, 1349-1351, 1511-1519 (2004) (the “*Federal ADA*”), and D.C. Official Code §§ 1-206.03(e) and 47-105 (2001); (ii) the District of Columbia Anti-Deficiency Act, D.C. Official Code §§ 47-355.01 — 355.08 (2013 Supp.) (the “*D.C. ADA*” and (i) and (ii) collectively, as amended from time to time, the “*Anti-Deficiency Acts*”); and (iii) Section 446 of the District of Columbia Home Rule Act, D.C. Official Code § 1-204.46 (2001). Pursuant to the Anti-Deficiency Acts, nothing in this Agreement shall create an obligation of the District in anticipation of an appropriation by Congress for such purpose, and the District’s legal liability for the payment of any settlement amount under this Agreement shall not arise or obtain in advance of the lawful availability of appropriated funds for the applicable fiscal year as approved by Congress.

(b) The foregoing provisions of this Section 14 do not create or constitute a present financial obligation of the District to the Bank or anyone else.

(c) The foregoing provisions of this Section 14 do not create or constitute a future financial obligation of the District to the Bank or anyone else.

(d) The Mayor agrees to exercise all lawful authority available to it to satisfy the requests for payment that may arise under this Section 14. The Mayor of the District or other appropriate official shall, for each fiscal period, include in the budget application submitted to the Council of the District the amount necessary to fund the requests for payment under this

Section 14 for such fiscal period or relating to any previous fiscal period. In the event that a request for such appropriations is excluded from the budget approved by the Council and submitted to Congress by the President for the applicable fiscal year or if no appropriation is made by Congress to pay the settlement amount and any other amount under this Section 14 for any period after the fiscal year for which appropriations have been made, and in the event appropriated funds for such purposes are not otherwise lawfully available, the District will not be liable to make any payments under this Section 14 in such period or until appropriated funds for such purposes are available, and the unavailability of such funds shall not constitute a CCA Event of Default.

(e) Notwithstanding the foregoing, no officer, elected or appointed official, employee, director, member or other natural person or agent of the District shall have any personal liability in connection with the breach of the provisions of this Section 14 or in the event of a Default by the District under this Section 14.

(f) No District officer, elected or appointed official, employee or agent is authorized to obligate or expend any amount under this Section 14 unless such amount has been appropriated by Act of Congress and is lawfully available.

SECTION 15. OBLIGATIONS ABSOLUTE.

Except as otherwise stated herein, the obligations of the District under this Agreement shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances whatsoever, including, without limitation, the following circumstances:

- (a) any lack of validity or enforceability of the Financing Documents;
- (b) any amendment or waiver of or any consent to departure from all or any of the other Financing Documents;
- (c) without waiving its right to contest claims, the existence of any claim, set-off, defense or other rights which the District may have at any time against the Trustee, the Bank (other than the defense of payment to the Bank in accordance with the terms of this Agreement), or any other person or entity, whether in connection with this Agreement, the Financing Documents or any unrelated transaction; and
- (d) any statement proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever.

SECTION 16. LIABILITY OF THE BANK.

With respect to the Bank, the District assumes any and all risks with respect to the acts or omissions of the Trustee in connection with its use of this Agreement or any amounts made available by the Bank hereunder. Neither the Bank nor any of the officers, directors, employees or agents thereof shall be liable or responsible for any of the following: (a) the use that may be

made of this Agreement or any amounts made available by the Bank hereunder or for any acts or omissions of the Trustee or the District in connection therewith; (b) the validity, sufficiency or genuineness of documents (except for the validity and enforceability of the Bank's obligations hereunder), or of any endorsement(s) thereon. In furtherance and not in limitation of the foregoing, the Bank may accept documents that appear on their face to be in order, without responsibility for further investigation. The foregoing provisions of this section shall not be construed to exculpate the Bank from any act of the Bank which constitutes negligence or willful misconduct.

SECTION 17. RESERVED.

SECTION 18. SUCCESSORS, ASSIGNS AND PARTICIPANTS.

(a) *Successors and Assigns Generally.* This Agreement is a continuing obligation and shall be binding upon the District, its successors, transferees and assigns and shall inure to the benefit of the Bank and its respective permitted successors, transferees and assigns as and to the extent set forth in this Section 18. The District may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Bank. The Bank may, in its sole discretion and in accordance with applicable Law, from time to time assign, sell or transfer in whole or in part, this Agreement, its interest in the Series 2014B Bonds and the Financing Documents in accordance with the provisions and subject to the limitations of paragraphs (b) or (c) of this Section. Each Series 2014B Bondholder may at any time and from time to time enter into participation agreements in accordance with the provisions of paragraph (d) of this Section. the Bank may at any time pledge or assign a security interest subject to the restrictions of paragraph (e) of this Section.

(b) *Sales and Transfers by Bondholder to a Bank Transferee.* Without limitation of the foregoing generality, a Bondholder may at any time sell or otherwise transfer to one or more transferees all or a portion of the Series 2014B Bonds to a Person that is (i) an Affiliate of the Bank or (ii) a trust or other custodial arrangement established by the Bank or an Affiliate of the Bank, the owners of any beneficial interest in which are limited to "qualified institutional buyers" as defined in Rule 144A promulgated under the 1933 Act (each, a "*Bank Transferee*"). From and after the date of such sale or transfer, Banc of America Preferred Funding Corporation (and its successors) shall continue to have all of the rights of the Bank hereunder and under the other Financing Documents as if no such transfer or sale had occurred; *provided, however*, that (A) no such sale or transfer referred to in clause (b)(i) or (b)(ii) hereof shall in any way affect the obligations of the Bank hereunder, (B) the District and the Trustee shall be required to deal only with the Bank with respect to any matters under this Agreement and (C) in the case of a sale or transfer referred to in clause (b)(i) or (b)(ii) hereof, only the Bank shall be entitled to enforce the provisions of this Agreement against the District.

(c) *Sales and Transfers by Bondholder to a Non-Bank Transferee.* Without limitation of the foregoing generality, a Bondholder may at any time sell or otherwise transfer to one or more transferees which are not Bank Transferees but each of which constitutes (i) a "qualified institutional buyer" as defined in Rule 144A promulgated under the 1933 Act and (ii) a commercial bank organized under the laws of the United States, or any state thereof, or any other

country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any such case, having a combined capital and surplus, determined as of the date of any transfer pursuant to this clause (c), of not less than \$5,000,000,000 (each a “*Non-Bank Transferee*”) all or a portion of the Series 2014B Bonds if (A) written notice of such sale or transfer, including that such sale or transfer is to a Non-Bank Transferee, together with addresses and related information with respect to the Non-Bank Transferee, shall have been given to the District, the Trustee and the Bank (if different than the Bondholder) by such selling Bondholder and Non-Bank Transferee, and (B) the Non-Bank Transferee shall have delivered to the District, the Trustee and the selling Bondholder, an investment letter in substantially the form attached as Exhibit A to this Agreement (the “*Investor Letter*”).

From and after the date the District, the Trustee and the selling Bondholder have received written notice and an executed Investor Letter, (A) the Non-Bank Transferee thereunder shall be a party hereto and shall have the rights and obligations of a Bondholder hereunder and under the other Financing Documents, and this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to effect the addition of the Non-Bank Transferee, and any reference to the assigning Bondholder hereunder and under the other Financing Documents shall thereafter refer to such transferring Bondholder and to the Non-Bank Transferee to the extent of their respective interests, and (B) if the transferring Bondholder no longer owns any Bonds, then it shall relinquish its rights and be released from its obligations hereunder and under the Financing Documents; *provided, however*, that (1) the District and the Trustee shall be required to deal only with the Bank (and no other Non-Bank Transferee) with respect to any matters under this Agreement; (2) only the Bank shall be entitled to enforce the provisions of this Agreement against the District; and (3) in the event the Bank, any Bank Transferee or any combination thereof ceases to be the Majority Bondholder, no Non-Bank Transferee shall constitute a Bondholder hereunder or have the benefits of any of the terms and provisions of this Agreement except to the extent necessary to give meaning and effect to the provisions of the Indenture.

(d) *Participations.* Each Bondholder shall have the right to grant participation (to be evidenced by one or more participation agreements or certificates of participation) in this Agreement at any time and from time to time to one or more other institutions (each a “*Participant*”); *provided, however*, that any such participation shall not relieve the Bank from any of its obligations under this Agreement nor cause any additional expense or obligation to the District.

(e) Notwithstanding the foregoing, the Bank may at any time pledge or grant a security interest in all or any portion of its rights under the Series 2014B Bonds, this Agreement and the Financing Documents to secure obligations of the Bank, including any pledge or assignment to secure obligations to a Federal Reserve Bank without notice to or consent by the District; *provided* that no such pledge or assignment shall release the Bank from any of its obligations hereunder or substitute any such pledgee or assignee for the Bank as a party hereto or cause any additional expense or obligation to the District.

SECTION 19. CALCULATIONS.

Unless otherwise stated, all fees and interest on amounts owing the Bank under this Agreement shall be computed on the basis of the actual number of days elapsed over a year of 365 days, which shall include the first day on which fees are payable or any such amount is due, as the case may be, but shall exclude the day on which payment is made.

SECTION 20. EXTENSION OF MATURITY.

If any payment to the Bank would become due and payable on other than a Business Day, such payment shall instead become due on the next succeeding Business Day and interest shall be payable thereon at the rate herein specified during such extension.

SECTION 21. SURVIVAL OF THIS AGREEMENT.

Subject to Section 14 of this Agreement, all covenants, agreements, representations and warranties made in this Agreement shall continue in full force and effect until no amounts hereunder shall be outstanding or unpaid, it being understood that the agreements of the District found in Sections 2, 12, 13, 14 and 15 hereof shall survive the termination of this Agreement and payment in full of such obligations (*provided* that any such obligations which are limited to accruing in a particular fiscal year shall continue to be limited to accruing in such fiscal year). Whenever in this Agreement the Bank is referred to, such reference shall be deemed to include the successors and assigns of the Bank and all covenants, promises and agreements by or on behalf of the District which are contained in this Agreement shall inure to the benefit of the successors and assigns of the Bank. The rights and duties of the District, however, may not be assigned or transferred, except as specifically provided in this Agreement or with the prior written consent of the Bank, and all obligations of the District hereunder shall continue in full force and effect notwithstanding any assignment by the District of any of its rights or obligations under any of the Financing Documents.

SECTION 22. MODIFICATION OF FINANCING DOCUMENTS.

No amendment, modification or waiver of any provision of any Financing Document shall be effective unless the same shall be in writing and signed by the Bank (*provided* that the foregoing shall not apply to supplements to the Master Indenture providing solely for the issuance of additional bonds in accordance with the terms of the Master Indenture or to supplements or amendments not requiring the consent of the bondholders) and no consent to any departure by the District therefrom, shall, in any event, be effective unless the same shall be in writing and signed by the Bank. Any such amendment, modification or waiver shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the District in any case shall entitle the District to any other or further notice or demand in the same, similar or other circumstances.

SECTION 23. NO WAIVER OF RIGHTS BY THE BANK.

No course of dealing or failure or delay on the part of the Bank in exercising any right, power or privilege hereunder or under any Financing Document shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise or the exercise of any other right, power or privilege. The rights of the Bank under the Financing Documents are cumulative and not exclusive of any rights or remedies which the Bank would otherwise have.

SECTION 24. SEVERABILITY.

In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 25. GOVERNING LAW; VENUE.

THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO CONFLICTS OF LAWS PROVISIONS; PROVIDED THAT THE AUTHORITY, DUTIES AND OBLIGATIONS OF THE DISTRICT HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE DISTRICT OF COLUMBIA. ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE SERIES 2014B BONDS INVOLVING THE BANK SHALL BE BROUGHT IN THE APPROPRIATE DISTRICT OF COLUMBIA COURT HAVING JURISDICTION OVER SUCH MATTER.

SECTION 26. WAIVER OF SPECIAL DAMAGES.

The District shall not assert, and waives, any claim against the Bank, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages or damages otherwise recoverable pursuant to statute) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the transactions, or the use of the proceeds thereof.

SECTION 27. ANTI-TERRORISM LAWS.

The District hereby represents and warrants that:

(a) The District is not in violation of any Anti-Terrorism Law applicable to the District or engaged in or conspiring to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

(b) Neither the District nor any of its agents acting or benefiting in any capacity in connection with this Agreement or other transactions hereunder, is any of the following (each a “*Blocked Person*”);

(i) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order No. 13224; a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order No. 13224;

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

(iii) a Person or entity that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order No. 13224;

(iv) a Person or entity that is named as a “specially designated national and blocked person” on the most current list published by the U.S. Treasury Department Office of Foreign Asset Control (“*OFAC*”) at its official website: <http://www.treas.gov/ofachllsdn.pdf> or any replacement website or other replacement official publication of such list;

(v) a Person who is affiliated with a Person listed above; or

(vi) a Person who is listed on any other list of terrorist or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable executive order. The above-referenced lists contained in this Section 27 are collectively referred to as the “OFAC Lists.”

(c) Neither the District nor, to its knowledge, any of its agents acting in any capacity in connection with this Agreement or other transactions hereunder (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person or (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order No. 13224.

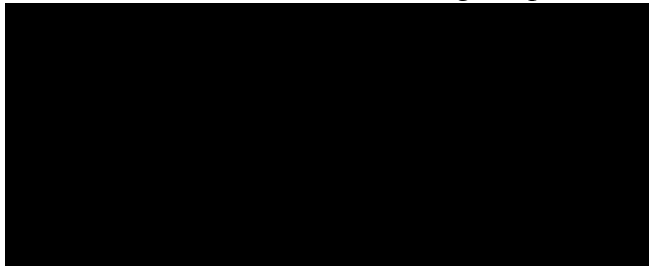
(d) The District and its agents shall not (i) conduct any business or engage in any transaction or dealing with any Blocked Person, including the making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order No. 13224, (iii) permit the transfer of any interest in either the District or its agents to any Blocked Person or any beneficial owner of such Blocked Person or (iv) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in the Executive Order No. 13224 or the USA Patriot Act. The District acknowledges that pursuant to the requirements of the USA Patriot Act, the Bank is required to obtain, verify and record information that identifies the District.

SECTION 28. NOTICE.

All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered, or sent by overnight mail, with return receipt, or five (5) days following mailing by registered or certified mail, postage prepaid, to the parties at the following addresses. Any of the foregoing parties may, by notice in writing given to the others, designate any further or different addresses to which subsequent notices, certificates or other communication shall be sent.

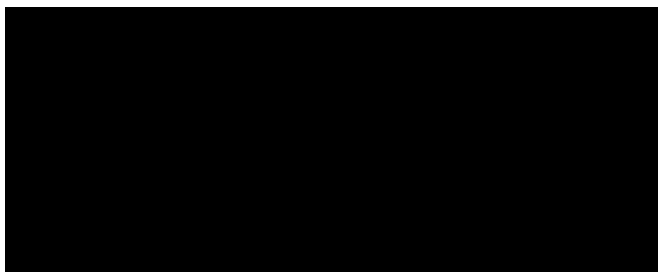
The Bank:

Banc of America Preferred Funding Corporation



The District:

District of Columbia



SECTION 29. HEADINGS.

The table of contents and captions in this Agreement are for convenience of reference only and shall not define or limit the provisions of this Agreement.

SECTION 30. COUNTERPARTS.

This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which, when taken together, shall constitute one and the same instrument.

SECTION 31. ENTIRE AGREEMENT.

This Agreement sets forth the entire agreement between the District and the Bank covering the subject matter of this Agreement and the terms of this Agreement shall supersede

the terms of any commitment letter or other agreement covering the subject matter of this Agreement between the District and the Bank.

SECTION 32. OTHER COSTS AND EXPENSES.

Subject to Section 14, the District agrees to pay on demand (a) all reasonable costs and expenses of the Bank in connection with the preparation, execution, delivery and administration of this Agreement and the other Financing Documents, and all other instruments and documents to be delivered under or in connection with this Agreement, including the reasonable fees and expenses of counsel, fees and expenses of appraisers, accountants, and other professionals, and costs of property and lien searches related thereto; (b) all reasonable costs and expenses of the Bank in connection with and any waivers or supplements or amendments to this Agreement and the other Financing Documents, and all other instruments and documents delivered under or in connection with this Agreement (including, but not limited to, an amendment fee equal to [REDACTED] in connection with each amendment (the "*Amendment Fee*")) and also including the reasonable fees and expenses of counsel (in an amount to be determined and mutually agreed upon at the time of such amendment), fees and expenses of appraisers, accountants, and other professionals, and costs of property and lien searches related thereto; and (c) all reasonable costs and expenses of the Bank (in an amount to be determined and mutually agreed upon) in connection with the enforcement of this Agreement and the other Financing Documents, and all other instruments and documents to be delivered under or in connection with this Agreement, including the reasonable fees and expenses of counsel and the reasonable fees and expenses of appraisers, accountants, and other professionals. Such costs and expenses shall include all costs and expenses (including the reasonable fees and expenses of counsel for the Bank) incurred in connection with: (A) the protection, exercise or enforcement of the Bank's rights with respect to the Trust Estate; and (B) the assertion, protection, exercise or enforcement of the Bank's rights in any proceeding under the United States Bankruptcy Code, including without limitation the preparation, filing and prosecution of (i) proofs of claim, (ii) motions for relief from the automatic stay, (iii) motions for adequate protection and (iv) complaints, answers and other pleadings in adversary proceedings by or against the Bank or relating in any way to any of the Trust Estate. Such costs and expenses also shall include the fees and expenses of counsel for the Bank in advising the Bank as to its rights and responsibilities under this Agreement or any of the other Financing Documents and in representing the Bank in any legal proceeding relating thereto.

SECTION 33. EVIDENCE OF DEBT.

The Bank shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the District resulting from this Agreement and the amounts of principal, interest and fees payable and paid from time to time hereunder. In any legal action or proceeding in respect of this Agreement, the entries made in such account or accounts shall be conclusive evidence of the existence and amounts of the obligations of the District therein recorded, absent manifest error.

SECTION 34. NO FIDUCIARY RELATIONSHIP.

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

SECTION 35. RIGHTS CUMULATIVE.

All rights, powers and remedies herein given to the Bank are cumulative and not alternative, and are in addition to all statutes or rules of law; any forbearance or delay by the Bank in exercising the same shall not be deemed to be a waiver thereof, and the exercise of any right or partial exercise thereof shall not preclude the further exercise thereof, and the same shall continue in full force and effect until specifically waived by an instrument in writing executed by the Bank.

SECTION 36. INTEREST LIMITATION.

Notwithstanding anything to the contrary contained herein or in any of the other Financing Documents, if the rate of interest payable on the Series 2014B Bonds or under this Agreement shall exceed the Maximum Rate for any day for which interest is payable (each such date referred to herein as an “*Excess Interest Commencement Date*”), then (i) interest for such day shall be payable at the Maximum Rate, and Excess Interest shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed the Maximum Rate, at which time (and continuing thereafter until all deferred Excess Interest is fully paid to the Bank) the District shall pay to the Bank such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Bank to equal the Maximum Rate; *provided, however*, that (1) if on any one or more previous days during the fiscal year in which an Excess Interest Commencement Date occurs (each such day referred to herein as a “*Recaptured Interest Commencement Date*”), the rate of interest paid in accordance with the terms of this Agreement was less than the Maximum Rate, Excess Interest relating to such Excess Interest Commencement Date shall not be deferred to a future date, but rather the District shall pay to the Bank on such Excess Interest Commencement Date such portion of Recaptured Interest as will cause the rate of interest paid on the Series 2014B Bonds from the beginning of such fiscal year up to and including the Excess Interest Commencement Date, to equal the Maximum Rate; and (2) the total liability of the District for payment of interest pursuant hereto and under the Series 2014B Bonds shall not exceed, in any fiscal year, the amount of interest that would have been payable during such fiscal year if the applicable interest rate on the Series 2014B Bonds had been equal to the Maximum Rate for such entire fiscal year.

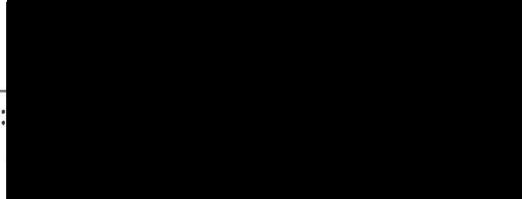
[Signatures appear on the next page]

Please signify your agreement and acceptance of the foregoing by executing this Agreement in the space provided below.

Very truly yours,

BANC OF AMERICA PREFERRED FUNDING
CORPORATION

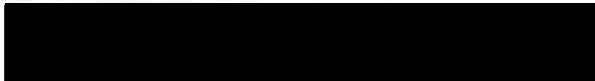
By: _____
Name: _____
Title: _____



Agreed to and accepted, as of June 26, 2014 by

DISTRICT OF COLUMBIA

By: _____
Name: _____
Title: _____



Agreed to and accepted, as of June 26, 2014 by

DISTRICT OF COLUMBIA

By: _____
Name
Title:



EXHIBIT A

FORM OF INVESTOR LETTER

District of Columbia



Re: District of Columbia

Ladies and Gentlemen:

This letter is to provide you with certain representations and agreements with respect to our purchase of the above-referenced bonds (the “*Bonds*”). The Series 2014B Bonds were issued under and secured in the manner set forth pursuant to the Master Trust Indenture, dated as of December 1, 2004, as supplemented and amended, including by the Eighth Supplemental Trust Indenture, dated as of June 1, 2014 (collectively, the “*Indenture*”), between the District of Columbia (the “*District*”) and Wells Fargo Bank, National Association (the “*Trustee*”). Banc of America Preferred Funding Corporation (the “*Purchaser*,” the “*undersigned*,” “*us*” or “*we*,” as applicable) is purchasing the Series 2014B Bonds pursuant to a Continuing Covenants Agreement, dated as of June 1, 2014, between the District of Columbia (the “*Borrower*”) and the Purchaser. We hereby represent and warrant to you and agree with you as follows:

1. We understand that the Series 2014B Bonds have not been registered pursuant to the Securities Act of 1933, as amended (the “*1933 Act*”), the securities laws of any state nor has the Indenture been qualified pursuant to the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions set forth therein. We acknowledge that the Series 2014B Bonds (i) are not being registered or otherwise qualified for sale under the “blue sky” laws and regulations of any state, (ii) will not be listed on any securities exchange.

2. We have not offered, offered to sell, offered for sale or sold any of the Series 2014B Bonds by means of any form of general solicitation or general advertising, and we are not an underwriter of the Series 2014B Bonds within the meaning of Section 2(11) of the 1933 Act.

3. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Series 2014B Bonds.

4. We have authority to purchase the Series 2014B Bonds and to execute this letter and any other instruments and documents required to be executed by the purchaser in connection with the purchase of the Series 2014B Bonds.

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

6. The undersigned is either a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act as defined in Rule 501 of Regulation D under the 1933 Act and is able to bear the economic risks of such investment.

7. The undersigned understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to the Series 2014B Bonds. The undersigned has made its own inquiry and analysis with respect to the District, the Series 2014B Bonds and the security therefor, and other material factors affecting the security for and payment of the Series 2014B Bonds.

8. The undersigned acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, regarding the District, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the District, the Series 2014B Bonds and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase the Series 2014B Bonds.

9. The Series 2014B Bonds are being acquired by the Purchaser for investment for its own account and not with a present view toward resale or distribution; *provided, however*, that the Purchaser reserves the right to sell, transfer or redistribute the Series 2014B Bonds, but agrees that any such sale, transfer or distribution by the Purchaser shall be to a Person:

(a) that is an affiliate of the Purchaser;

(b) that is a trust or other custodial arrangement established by the Purchaser or one of its affiliates, the owners of any beneficial interest in which are limited to qualified institutional buyers; or

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

Very truly yours,

By: _____

Name: _____

Title: _____

The enclosed electronic (PDF) document has been created by scanning an original paper document. Optical Character Recognition (OCR) has been used to create searchable text. OCR technology is not perfect, and therefore some words present in the original document image may be missing, altered or may run together with adjacent words in the searchable text.

EIGHTH SUPPLEMENTAL TRUST INDENTURE

EIGHTH SUPPLEMENTAL TRUST INDENTURE

between

DISTRICT OF COLUMBIA

and

**WELLS FARGO BANK, N.A.,
as Trustee**

Governing the Issuance of and Securing

\$99,985,000

District of Columbia

Multimodal General Obligation Bonds, Series 2014A

and

\$224,315,000

District of Columbia

Multimodal General Obligation Bonds, Series 2014B

Dated as of June 1, 2014

TABLE OF CONTENTS

	Page
ARTICLE I EIGHTH SUPPLEMENTAL INDENTURE.....	2
Section 101. Eighth Supplemental Indenture.....	2
Section 102. Definitions.....	2
Section 103. Time.	17
Section 104. Reference to Articles and Sections.	17
ARTICLE II DETAILS AND FORM OF THE SERIES 2014A-B BONDS.....	17
Section 201. Series 2014A-B Bonds.....	17
Section 202. General Terms.....	17
Section 203. Form of the Series 2014A-B Bonds.....	18
Section 204. Denominations, Medium, Method and Place of Payment of Principal and Interest and Dating of Series 2014A-B Bonds.	18
Section 205. Determination of Interest Rates and Interest Periods During Flexible Mode....	20
Section 206. Determination of Interest Rates During Daily Mode.....	21
Section 207. Determination of Interest Rates During Weekly Mode.	22
Section 208. Determination of Interest Rates and Interest Periods During Term Mode.	22
Section 209. Alternate Rate for Interest Calculation.	22
Section 210. Determination of Auction Rates and Auction Periods During Auction Mode. ..	23
Section 211. Changes in Mode.	23
Section 212. Registration and Authentication of Series 2014A-B Bonds.	26
Section 213. Book-Entry System.....	26
Section 214. Delivery of the Series 2014A-B Bonds.	28
ARTICLE III REDEMPTION OF THE SERIES 2014A-B BONDS	28
Section 301. Optional Redemption.....	28
Section 302. Sinking Fund Redemption.	31
Section 303. Partial Redemption of Bonds.....	33
Section 304. Effect of Call for Redemption.....	33
Section 305. Notice of Redemption.....	33
Section 306. Notice to Tender Agent and Credit Provider.	34
ARTICLE IV FUNDS AND ACCOUNTS FOR THE SERIES 2014A-B BONDS; PROCEEDS OF THE SERIES 2014A-B BONDS AND FLOW OF FUNDS	34
Section 401. Funds and Accounts for the Series 2014A-B Bonds.	34
Section 402. Use of Proceeds.....	35
Section 403. Flow of Funds.	36
Section 404. Purchase Funds.	37
Section 405. Series 2014B Refunded Bonds Redemption Fund.....	38
Section 406. Credit Provider Control and Remedies; Effect of Payments Under Direct- Pay Letter of Credit.	38
ARTICLE V SECURITY FOR THE SERIES 2014A-B BONDS	39
Section 501. Security for the Series 2014A-B Bonds.....	39

ARTICLE VI TAX COVENANTS	40
Section 601. General Tax Covenants.....	40
ARTICLE VII PURCHASE OF THE SERIES 2014A-B BONDS	40
Section 701. Optional Tender in Daily Mode and Weekly Mode.....	40
Section 702. Mandatory Tender at End of Flexible Mode Interest Periods.....	41
Section 703. Mandatory Tender at End of Term Mode.....	41
Section 704. Mandatory Tender on Any Mode Change Date.....	42
Section 705. Mandatory Tender Upon Expiration Date; Substitution Date; Initial Index Rate Mandatory Repurchase Date; and Upon the Date Specified by the District.....	42
Section 706. Mandatory Tender Upon Certain Events.....	42
Section 707. Notice of Mandatory Tender for Purchase.....	43
Section 708. No Tenders or Remarketing Upon Certain Events.....	45
Section 709. Remarketing of the Series 2014A-B Bonds; Notices.....	45
Section 710. Source of Funds for Purchase of the Series 2014A-B Bonds.....	47
Section 711. Delivery of the Series 2014A-B Bonds.....	48
Section 712. Delivery and Payment for Purchased Series 2014A-B Bonds; Undelivered Series 2014A-B Bonds.....	49
Section 713. Insufficient Funds for Tenders.....	49
ARTICLE VIII CREDIT FACILITY.....	50
Section 801. Credit Facility; Substitution of Credit Facility.....	50
Section 802. Conditions for Acceptance.....	51
Section 803. No Transfer.....	52
Section 804. Increased Costs.....	52
ARTICLE IX AGENTS	52
Section 901. Remarketing Agent.....	52
Section 902. Tender Agent; Paying Agent.....	53
Section 903. Several Capacities.....	54
Section 904. Provisions Relating to Trustee, the Paying Agent and Tender Agent.....	54
Section 905. References to Credit Facility, Credit Provider, Remarketing Agent, Auction Agent, and Broker-Dealer Ineffective.....	54
Section 906. Market Agent; Calculation Agent.....	54
ARTICLE X PROVISIONS RELATING TO INDEX RATE MODE.....	55
Section 1001. Direct Purchase of Series 2014A-B Bonds.....	55
Section 1002. Index Rate Mode.....	55
Section 1003. Calculation Agent.....	58
ARTICLE XI MISCELLANEOUS.....	59
Section 1101. Successors of the District.....	59
Section 1102. District Protected in Acting in Good Faith.....	59
Section 1103. Credit Provider as Third-Party Beneficiary; No Benefits to Outside Parties.....	59

Section 1104.	Separability of Eighth Supplemental Indenture Provisions.	60
Section 1105.	Execution of Eighth Supplemental Indenture in Counterparts.	60
Section 1106.	Headings Not Controlling.	60
Section 1107.	Notices etc., to the Trustee, the District and Others.	60
Section 1108.	Additional Notices to Rating Agencies.....	61
Section 1109.	Notices to the applicable Remarketing Agent and the applicable Credit Provider.	62
Section 1110.	Concerning the Trustee.	62
Section 1111.	Satisfaction and Discharge.....	62
Section 1112.	Rights of the Credit Provider.	63
Exhibit A	Forms of the Series 2014A-B Bonds in Daily/Weekly Mode	A-1
Exhibit B	Forms of the Series 2014A-B Bonds in Index Rate Mode	B-1

THIS EIGHTH SUPPLEMENTAL TRUST INDENTURE dated as of June 1, 2014 (this "**Eighth Supplemental Indenture**"), by and between the **DISTRICT OF COLUMBIA** (the "**District**") and **WELLS FARGO BANK, N.A.**, a bank duly organized and validly existing under the laws of the United States and having a corporate trust office in Columbia, Maryland (said corporation and any successor or successors as trustee hereunder, being herein referred to as the "**Trustee**");

WITNESSETH:

WHEREAS, the District and the Trustee entered into a Master Trust Indenture dated as of December 1, 2004 (the "**Master Trust Indenture**") pursuant to which the District is authorized to issue one or more Series of Bonds; and

WHEREAS, the District has determined to issue a Series of Bonds in the aggregate principal amount of \$99,985,000 (the "**Series 2014A Bonds**"), the proceeds of which shall be used to provide funds to finance a portion of the District's fiscal year 2014 Capital Improvements Program.

WHEREAS, the District has also determined to issue a Series of Bonds in the aggregate principal amount of \$224,315,000 (the "**Series 2014B Bonds**" and together with the Series 2014B Bonds, the "**Series 2014A-B Bonds**"), the proceeds of which shall be used to provide funds to (i) refund the District's outstanding \$67,195,000 Multimodal General Obligation Refunding Bonds, Series 2008C-1, of which \$67,195,000 remains outstanding, and \$157,105,000 Multimodal General Obligation Refunding Bonds, Series 2008C-2, of which \$157,105,000 remains outstanding (the "**Refunded Bonds**"), and (ii) finance a portion of the District's fiscal year 2014 Capital Improvements Program; and

WHEREAS, contemporaneously with the issuance of the Series 2014A-B Bonds, the District will enter into (i) the Series 2014A Continuing Covenants Agreement (as defined herein), with Banc of America Preferred Funding Corporation, a wholly-owned subsidiary of Bank of America Corporation ("**BAPFC**") or another wholly-owned subsidiary of Bank of America Corporation, pursuant to which BAPFC will purchase directly from the District all of the Series 2014A Bonds and (ii) the Series 2014B Continuing Covenants Agreement (as defined herein), with BAPFC or another wholly-owned subsidiary of Bank of America Corporation, pursuant to which BAPFC will purchase directly from the District all of the Series 2014B Bonds; and

WHEREAS, the Master Trust Indenture provides that, in connection with the issuance of a Series of Bonds, the District shall execute and deliver to the Trustee a supplemental indenture governing the issuance of such Series of Bonds and setting forth the provisions thereof; and

WHEREAS, the District has taken all necessary action to make the Series 2014A-B Bonds when authenticated by the Trustee and issued by the District, valid, binding, and legal general obligations of the District and to constitute this Eighth Supplemental Indenture a valid and binding instrument for the authorization of and security for the Series 2014A-B Bonds.

NOW, THEREFORE, THIS EIGHTH SUPPLEMENTAL INDENTURE WITNESSETH, that the District does hereby covenant and agree with the Trustee and with the respective Holders, from time to time, of the Series 2014A-B Bonds, as follows:

ARTICLE I

EIGHTH SUPPLEMENTAL INDENTURE

Section 101. Eighth Supplemental Indenture.

This Eighth Supplemental Indenture is authorized and executed by the District and delivered to the Trustee pursuant to and in accordance with Articles II and X of the Master Trust Indenture. All covenants, conditions and agreements of the Master Trust Indenture shall apply with full force and effect to the Series 2014A-B Bonds and to the Holders thereof.

Section 102. Definitions.

Except as otherwise defined herein, terms defined in the Master Trust Indenture are used in this Eighth Supplemental Indenture with the meanings assigned to them in the Master Trust Indenture. In addition, the terms below shall have the following meanings in this Eighth Supplemental Indenture:

“**Affiliate**” shall mean a corporation, partnership, association, joint venture, business trust or similar entity organized under the laws of any state that directly, or indirectly through one (1) or more intermediaries Controlled by the Purchaser, Controls or is Controlled by, or is under common Control with, the Purchaser.

“**Alternate Credit Facility**” shall mean, with respect to any Series 2014A-B Bonds, a Credit Facility, a counterpart original or conformed copy of which shall be filed with the Trustee, that provides (to the extent, and subject to the terms and conditions set forth therein) for the payment of the Purchase Price of such Series 2014A-B Bonds tendered or deemed tendered to the Tender Agent pursuant to this Eighth Supplemental Indenture and/or provides for payment of scheduled principal of, premium, if any, and interest on such Series 2014A-B Bonds, and the Purchase Price thereof, and satisfies the Liquidity Requirement in, and is issued in substitution for, any Credit Facility in accordance with and pursuant to, Section 801 of this Eighth Supplemental Indenture.

“**Alternate Rate**” shall mean, on any Rate Determination Date, for any Mode, a rate per annum equal to one hundred percent (100%) of (a) the SIFMA Index of Municipal Market Data most recently available as of the date of determination, or (b) if such index is no longer available or no longer published, the S&P Weekly High Grade Index (formerly the J.J. Kenny Index), or (c) if neither the SIFMA Index nor the S&P Weekly High Grade Index is published, the index determined to equal the prevailing rate determined by the applicable Remarketing Agent for tax-exempt state and local government bonds meeting criteria determined in good faith by the applicable Remarketing Agent to be comparable under the circumstances to the criteria used by the Securities Industry and Financial Markets Association to determine the SIFMA Index just prior to when the Securities and Financial Markets Association stopped publishing the SIFMA

Index; *provided, however*, that the Alternate Rate shall not exceed the Maximum Rate. If there is no Remarketing Agent, if the applicable Remarketing Agent fails to make any such determination or if the applicable Remarketing Agent has suspended its remarketing efforts in accordance with the respective Remarketing Agreement, upon notification from the District, the Tender Agent shall make the determinations.

“Applicable Factor” shall mean (i) during the initial SIFMA Index Period, [REDACTED] for the Series 2014A Bonds, (ii) during the initial LIBOR Index Period for the Series 2014B Bonds, [REDACTED] and (iii) during any subsequent Index Period, the percentage determined by the Market Agent designated by the District on or prior to the first day of such Index Period.

“Applicable Spread” shall have the meaning ascribed thereto in the applicable Continuing Covenants Agreement.

“Auction Agent” means the auctioneer appointed in accordance with the provisions of the Supplemental Indenture applicable to the Series 2014A-B Bonds in the Auction Mode.

“Auction Mode” shall have the meaning specified in the Auction Procedures. **“Auction Period”** shall have the meaning specified in the Auction Procedures.

“Auction Procedures” shall mean the procedures for conducting auctions for the Series 2014A-B Bonds during an Auction Period summarized in an Exhibit to the Supplemental Indenture entered into at the time of conversion to an Auction Rate and applicable to Series 2014A-B Bonds in the Auction Mode.

“Auction Rate” shall have the meaning specified in the Auction Procedures. **“Authenticating Agent”** shall mean the Trustee.

“Authorized Denominations” shall mean with respect to the Series 2014A-B Bonds bearing interest at a (i) Flexible Rate, Daily Rate and Weekly Rate, \$100,000 and integral multiples of \$5,000 in excess thereof, *provided, however*, during an Index Rate Period, it shall be \$250,000, and any integral multiple of \$5,000 in excess thereof; (ii) Term Rate, \$5,000 and any integral multiple thereof, *provided, however*, that if as a result of the change in the Mode of the Series 2014A-B Bonds from a Term Mode to a Short-Term Mode, it is not possible to deliver all the Series 2014A-B Bonds required or permitted to be Outstanding in a denomination permitted above, the Series 2014A-B Bonds may be delivered, to the extent necessary, in different denominations; and (iii) Auction Rate, \$25,000 and any integral multiple thereof.

“Bank Bond” shall mean any Series 2014A-B Bond purchased with proceeds from a draw under the applicable Direct-Pay Letter of Credit.

“Bank Rate” shall mean the rate of interest borne by Bank Bonds and unreimbursed drawings, as provided in the applicable Reimbursement Agreement.

“Bank Bond Sale Date” shall mean the day on which a Bank Bond ceases to be a Bank Bond (whether such Series 2014A-B Bond is remarketed by the applicable Remarketing Agent

pursuant to the applicable Remarketing Agreement or such Series 2014A-B Bond ceases to be a Bank Bond pursuant to the applicable Reimbursement Agreement).

"BAPFC" shall have the meaning specified in the recitals of this Eighth Supplemental Indenture.

"Base Rate" shall have the meaning given that term in the applicable Continuing Covenants Agreement.

"Bond Payment Date" shall mean (i) each June 1, in the case of the Series 2014A-B Bonds designated as Serial Bonds, and (ii) any Principal Payment Date.

"Bond Year" shall mean the annual period ending each June 1.

"Business Day" shall mean, with respect to the Series 2014A-B Bonds, a day which is not (a) a Saturday, Sunday or legal holiday on which banking institutions in the state in which the office of the Trustee is located, the State of New York, or the District of Columbia are authorized by law to close, (b) a day on which the office of the Credit Provider at which the Credit Provider honors drawings under the applicable Credit Facility is closed or (c) a day on which the New York Stock Exchange is closed.

"Calculation Agent" shall mean, during the Initial Index Rate Period, Bank of America, N.A., and thereafter means any other Person appointed to serve as Calculation Agent in accordance with Section 1003 of the Indenture and the terms of the Calculation Agent Agreement.

"Calculation Agent Agreement" shall mean any agreement, as the same may be amended and supplemented, between the District, the Trustee and a Calculation Agent pursuant to which the Calculation Agent agrees to perform the duties of the Calculation Agent under the Indenture with respect to the Series 2014A-B Bonds.

"Closing Date" shall mean the date on which the Series 2014A-B Bonds were first issued, sold and delivered.

"Computation Date" shall mean (i) with respect to any Series 2014A-B Bonds bearing interest at the SIFMA Index Rate, the first Wednesday prior to the conversion of the Series 2014A-B Bonds to the SIFMA Index Rate and each Wednesday of each week thereafter, or if any such Wednesday is not a Business Day, the next preceding Business Day, and (ii) with respect to any Series 2014A-B Bonds bearing interest at the LIBOR Index Rate, the second London Business Day prior to each Reset Date during each LIBOR Index Period.

"Continuing Covenants Agreement" shall mean, as context may require, (i) during the Initial Index Rate Period, with respect to the Series 2014A Bonds, the Series 2014A Continuing Covenants Agreement and, with respect to the Series 2014B Bonds, the Series 2014B Continuing Covenants Agreement, and (ii) during any subsequent Index Rate Period, any agreement between the District and a Purchaser designated as a Continuing Covenants Agreement, and setting forth the terms and conditions pursuant to which such Purchaser agrees to purchase and hold for a specified term for its own account any Series 2014A-B Bonds.

“Continuing Covenants Agreement Event of Default” shall mean a “CCA Event of Default,” as such term is defined in the applicable Continuing Covenants Agreement.

“Control” or any variant thereof means the ownership of, or power to vote (i) fifty-one percent (51%) of the outstanding capital stock of a corporation, the membership interests of a limited liability company, or the partnership interests of a partnership; or (ii) one hundred percent (100%) of the membership interests of the managing members of a limited liability company or of the partnership interests of the general partners of a partnership.

“Credit Facility” shall mean, with respect to any Series 2014A-B Bonds, Credit Enhancement including a Direct-Pay Letter of Credit.

“Credit Facility Purchase Account” shall mean the Series 2014A-B Credit Facility Purchase Account, as applicable.

“Credit Provider” shall mean, with respect to any Series 2014A-B Bonds, the provider of a Credit Facility for such Series 2014A-B Bonds.

“Current Mode” shall have the meaning specified in Section 211(b) of this Eighth Supplemental Indenture.

“Daily Mode” shall mean the mode in which the Series 2014A-B Bonds bear interest at a Daily Rate.

“Daily Rate” shall mean an interest rate determined pursuant to Section 206 of this Eighth Supplemental Indenture.

“Default Rate” shall have the meaning given that term in the applicable Continuing Covenants Agreement.

“Delayed Remarketing Period” shall have the meaning specified in Section 713(b) hereof.

“Direct-Pay Letter of Credit” shall mean a Credit Facility consisting of any irrevocable direct-pay letter of credit that may be drawn upon to pay the principal of, premium, if any (if payment of premium is secured by such Direct-Pay Letter of Credit) and interest on one or more Series of the Series 2014A-B Bonds and the Purchase Price thereof and that satisfies the Liquidity Requirement.

“DTC” shall mean The Depository Trust Company, New York, New York.

“Eighth Supplemental Indenture” shall mean this Eighth Supplemental Trust Indenture by and between the District and the Trustee, dated as of June 1, 2014.

“Electronic Means” shall mean telecopy, telegraph, telex, facsimile transmission or other similar electronic means of written communication, providing evidence of transmission, including a telephonic communication confirmed by any other method set forth in this definition;

notwithstanding anything in the Indenture to the contrary, any notice required to be given under this Eighth Supplemental Indenture may be given by Electronic Means.

“Event of Default” shall mean, with respect to the Series 2014A-B Bonds, any Event of Default as defined in the Master Trust Indenture as well as any Continuing Covenants Agreement Event of Default.

“Expiration Date” shall mean, with respect to a Credit Facility, the stated expiration date of such Credit Facility, or such stated expiration date as it may be extended from time to time as provided in any Credit Facility or such earlier date on which the Credit Facility shall terminate at the direction of the District, expire or be cancelled, *provided, however*, that the **“Expiration Date”** shall not include (i) a Termination Date, or (ii) any date on which a Credit Facility terminates prior to the stated expiration date by reason of any other circumstances set forth therein.

“Expiration Tender Date” shall have the meaning provided in Section 705(a) of this Eighth Supplemental Indenture.

“Favorable Opinion of Bond Counsel” shall mean with respect to any action the occurrence of which required such an opinion, an unqualified Opinion of Bond Counsel, to the effect that such action is permitted under the Bond Act and the Indenture and will not impair the exclusion of interest on the Series 2014A-B Bonds from gross income for purposes of federal income taxation or the exemption of interest on the Series 2014A-B Bonds from all taxation by the District of Columbia (subject to the inclusion of any exceptions contained in the opinion delivered upon original issuance of the Series 2014A-B Bonds).

“Final Initial Index Rate Mandatory Repurchase Date” shall have the meaning ascribed to such term in the applicable Continuing Covenants Agreement.

“Flexible Mode” shall mean the mode in which the Series 2014A-B Bonds bear interest at a Flexible Rate.

“Flexible Rate” shall mean an interest rate determined pursuant to Section 205 of this Eighth Supplemental Indenture.

“Immediate Termination Event” shall mean those events, if any, denominated as such in any Credit Facility upon the occurrence of which, without notice, a Credit Provider shall be under no further obligation to purchase tendered Series 2014A-B Bonds under the Credit Facility then in effect with respect to such Series 2014A-B Bonds; *provided* that no Immediate Termination Event shall apply to a Credit Facility in the form of a Direct-Pay Letter of Credit.

“Indenture” shall mean the Master Trust Indenture, as supplemented and amended from time to time in accordance with its terms.

“Index Rate” shall mean the SIFMA Index Rate or the LIBOR Index Rate, as applicable.

“Index Rate Mode” shall mean the period during which the Series 2014A-B Bonds bear interest at the LIBOR Index Rate, the SIFMA Index Rate, the Purchaser Rate, the Default Rate

or the Taxable Rate, as applicable, or such other index rate mode as shall be agreed to by the District and any Purchaser.

“Index Rate Period” shall mean a period in which the Series 2014A-B Bonds are in an Index Rate Mode.

“Initial Index Rate Closing Date” shall mean June 26, 2014.

“Initial Index Rate Mandatory Repurchase Date” shall have the meaning ascribed thereto in the applicable Continuing Covenants Agreement.

“Initial Index Rate Period” shall mean the initial Index Rate Period commencing on the Initial Index Rate Closing Date, and ending on the first to occur of (i) subject to the terms of the applicable Continuing Covenants Agreement, any Mandatory Index Rate Repurchase Date, (ii) the Mode Change Date next succeeding the Initial Index Rate Closing Date (*provided* that the Purchaser shall have consented thereto in writing and all requirements of the applicable Continuing Covenants Agreement have been satisfied), and (iii) the Maturity Date.

“Interest Payment Date” shall mean the following dates upon which interest is payable on the Series 2014A-B Bonds: (i) other than Series 2014A-B Bonds bearing interest at an Auction Rate, any Principal Payment Date or Mode Change Date; (ii) with respect to Series 2014A-B Bonds bearing interest at a Flexible Rate, the Business Day following the last day of the Interest Period therefor; (iii) with respect to Series 2014A-B Bonds bearing interest at a Daily Rate or Weekly Rate, the first Business Day of each calendar month; (iv) with respect to Series 2014A-B Bonds bearing interest at a Term Rate, each June 1 and December 1 and or each other date specified by the District pursuant to Section 211(b) of this Eighth Supplemental Indenture prior to the Purchase Date or the Maturity Date, as the case may be, and the Purchase Date, if applicable; (v) with respect to Bank Bonds, the date specified in the applicable Reimbursement Agreement then in effect, and (vi) with respect to the Series 2014A-B Bonds bearing interest at an Auction Rate, the date defined as the “Interest Payment Date” in the Auction Procedures and (vii) with respect to Series 2014A-B Bonds bearing interest in a SIFMA Index Period or LIBOR Index Period, (A) the first Business Day of each month beginning August 1, 2014, (B) a Mandatory Repurchase Date and (C) the Maturity Date.

“Interest Period” shall mean the period of time that any interest rate remains in effect, which period:

(i) with respect to Series 2014A-B Bonds bearing interest at a Flexible Rate, shall be the period of time established by the applicable Remarketing Agent pursuant to Section 205 hereof;

(ii) with respect to Series 2014A-B Bonds bearing interest at a Daily Rate, shall be the period from and including a Business Day to and excluding the next Business Day;

(iii) with respect to Series 2014A-B Bonds bearing interest at a Weekly Rate, shall be the period commencing on Thursday of each week to and including Wednesday of the following week, except (A) if the Series 2014A-B Bonds are issued in the Weekly Mode, shall be the period from the initial issuance of the Series 2014A-B Bonds to and including the Wednesday of

the following week, (B) in connection with a conversion to the Weekly Rate, shall be the period from the Mode Change Date to and including the Wednesday of the following week, (C) in connection with a conversion from the Weekly Mode, the last period for such Weekly Mode shall end on the day next preceding the Mode Change Date, (D) in the case of a Substitution Date or Mandatory Purchase Date specified in clause (vi) of the definition of Mandatory Purchase Date, the period for such Weekly Mode prior to the Substitution Date or such Mandatory Purchase Date shall end on the day before the Substitution Date or such Mandatory Purchase Date and a new period for the Weekly Mode shall commence on the Substitution Date or such Mandatory Purchase Date and end on the Wednesday of the following week or (E) any other day specified in an agreement then in effect with the applicable Remarketing Agent;

(iv) with respect to the Series 2014A-B Bonds bearing interest at a Term Rate, shall be the period from and including the related Mode Change Date to and including the date (which shall be a Business Day or the day next preceding the Maturity Date) selected by the District prior to the Mode Change Date as the last day upon which an interest rate determined by the applicable Remarketing Agent pursuant to Section 208 shall be in effect and thereafter shall be the period beginning on the day after the end of the prior Interest Period and ending on the date selected by the District prior to the end of such Interest Period as the last day upon which an interest rate determined by the applicable Remarketing Agent pursuant to Section 208 shall be in effect, *provided* that each Interest Period with respect to the Series 2014A-B Bonds bearing interest at a Term Rate shall be not less than one hundred eighty (180) days, and, *provided, further*, no Interest Period with respect to Series 2014A-B Bonds bearing interest at a Term Rate shall have a duration beyond the Expiration Date;

(v) with respect to the Series 2014A-B Bonds bearing interest at an Auction Rate, shall be the Initial Period and thereafter the Auction Period as established pursuant to the Auction Procedures; or

(vi) with respect to Series 2014A-B Bonds bearing interest at an Index Rate, shall be the period from and including the date the Index Rate becomes effective to and including the Business Day next preceding the Mandatory Purchase Date.

provided that no Interest Period shall extend beyond the day preceding any Mandatory Purchase Date or the Maturity Date.

“Letter of Credit Account” shall mean the Series 2014A-B Letter of Credit Account.

“LIBOR Index” shall mean, for any day, a fluctuating rate of interest adjusted on each Reset Date to equal the London Interbank Offered Rate (or a comparable or successor rate which is approved by the Calculation Agent) for U.S. Dollar deposits for delivery on the date in question for a one-month term beginning on such Reset Date. The Calculation Agent will use the London Interbank Offered Rate as published by Bloomberg (or other commercially available source providing quotations of such rate as selected by the Calculation Agent from time to time) as determined for each Reset Date at approximately 11:00 a.m. London time two (2) London Banking Days prior to each such Reset Date, as adjusted from time to time in the Calculation Agent’s sole discretion for reserve requirements, deposit insurance assessment rates and other

regulatory costs. If such rate is not available at such time for any reason, then the rate will be determined by such alternate method as reasonably selected by the Calculation Agent.

“LIBOR Index Period” shall mean each period commencing on the date on which the Series 2014A-B Bonds begin to bear interest at the LIBOR Index Rate and ending on the date on which the Series 2014A-B Bonds cease to bear interest at the LIBOR Index Rate.

“LIBOR Index Rate” shall mean a per annum rate of interest established on each Computation Date equal to the product of (x) the sum of (a) the Applicable Spread plus (b) the product of (i) the LIBOR Index multiplied by (ii) the Applicable Factor, multiplied by (y) the Margin Rate Factor.

“LIBOR Index Rate Mode” shall mean each period of time in which any Series 2014A-B Bonds bear interest at the LIBOR Index Rate, beginning on, and including the conversion date to the LIBOR Index Rate, and ending on, and including, the earliest of the day preceding the conversion to a different interest rate mode or the Maturity Date.

“Liquidity Requirement” shall mean at any time and with respect to: (i) the Series 2014A-B Bonds bearing interest at a Flexible Rate, an amount equal to the principal amount thereof then Outstanding plus such additional amount as is necessary to cause such Series 2014A-B Bonds to be assigned the highest short term rating category of each of the Rating Agencies then rating the Series 2014A-B Bonds; (ii) the Series 2014A-B Bonds bearing interest at a Daily Rate or Weekly Rate, an amount equal to the principal amount of such Series 2014A-B Bonds then Outstanding plus interest thereon calculated at the Maximum Rate, on the basis of a three hundred sixty-five (365) day year, for the maximum number of days that interest could accrue under the Indenture and the applicable Credit Facility; and (iii) the Series 2014A-B Bonds bearing interest at a Term Rate (unless the Term Mode extends to the Maturity Date), an amount equal to the principal amount of such Series 2014A Bonds then Outstanding plus such additional amount as is necessary to cause such Series 2014A Bonds to be assigned the highest rating category of each of the Rating Agencies then rating the Series 2014A Bonds.

“London Banking Day” shall mean any day on which banks in London are dealing in offshore dollars.

“Mandatory Index Rate Repurchase Date” shall mean (i) the applicable Initial Index Rate Mandatory Repurchase Date, (ii) the Final Initial Index Rate Mandatory Repurchase Date, and (iii) with respect to Series 2014A-B Bonds in an Index Rate Mode other than during the Initial Index Rate Period, any mandatory date specified in the Continuing Covenants Agreement.

“Mandatory Purchase Date” shall mean (i) the Purchase Date of Series 2014A-B Bonds bearing interest at a Flexible Rate or Term Rate, (ii) any Mode Change Date (except for change in Mode between the Daily Mode and the Weekly Mode), (iii) the Expiration Tender Date, (iv) the Substitution Date, (v) the Notice Termination Tender Date, (vi) for the Series 2014A-B Bonds in the Daily Mode or Weekly Mode, any Business Day specified by the District not less than twenty (20) days after the Trustee’s receipt of such notice from the District, together with the written consent of the applicable Credit Provider, and in no event later than the day preceding

the Expiration Date, and (vii) for the Series 2014A-B Bonds in an Index Rate Mode, the Mandatory Index Rate Repurchase Date.

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

“Market Agent” shall mean any Person appointed by the District to serve as market agent in connection with a conversion to a SIFMA Index Rate Mode or a LIBOR Index Rate Mode (including any conversion of an existing SIFMA Index Rate Mode to another SIFMA Index Rate Mode or from an existing LIBOR Index Rate Mode to another LIBOR Index Rate Mode).

“Master Escrow Agent” shall mean Wells Fargo Bank, National Association, pursuant to the Master Escrow Agreement.

“Master Escrow Agreement” shall mean the Master Escrow, Registrar and Paying Agent Agreement, dated as of December 1, 2001, between the District and the Master Escrow Agent, as amended and supplemented from time to time.

“Master Trust Indenture” shall have the meaning specified in the recitals of this Eighth Supplemental Indenture.

“Maturity Date” shall mean (i) with respect to the Series 2014A Bonds, June 1, 2039 and (ii) with respect to the Series 2014B Bonds, June 1, 2027.

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

“Maximum Rate” shall mean, (i) with respect to the Series 2014A-B Bonds other than Bank Bonds and the Series 2014A-B Bonds in an Auction Mode, twelve percent (12%) per annum; *provided, however*, that the Maximum Rate may be increased by the District to a rate not exceeding the maximum rate allowed by law, if there shall have been delivered to the Trustee a Favorable Opinion of Bond Counsel and if the Credit Facility or applicable Continuing Covenants Agreement then in effect permits for such rate, and (ii) with respect to Bank Bonds, the rate specified in the applicable Reimbursement Agreement then in effect.

“Mode” shall mean each period of time in which the Series 2014A-B Bonds bear interest at a Flexible Rate, Daily Rate, Weekly Rate, Term Rate, Auction Rate or Index Rate.

“Mode Change Date” shall mean, with respect to Series 2014A-B Bonds, the date one Mode terminates and another Mode begins (including termination of any Index Rate Mode and beginning of another Index Rate Mode).

“New Mode” shall have the meaning specified in Section 211(b) of this Eighth Supplemental Indenture.

“Notice of Credit Facility Default” shall mean a notice from a Credit Provider to the Trustee stating that an event of default has occurred and is continuing under the Reimbursement Agreement related to a Credit Facility and directing the Trustee to cause a mandatory tender of the applicable Series 2014A-B Bonds pursuant to this Eighth Supplemental Indenture.

“Notice of Termination” shall mean a notice from a Credit Provider to the Trustee stating that an event of termination has occurred under the related Credit Facility or the Reimbursement Agreement related to the applicable Credit Facility.

“Notice Parties” shall mean the District, the Trustee, the Paying Agent, the Tender Agent, the applicable Remarketing Agent and each Credit Provider, if any, the Broker-Dealer and Auction Agent while Series 2014A-B Bonds bear interest at an Auction Rate, and the applicable Purchaser when such Series 2014A-B Bonds are held in an Index Rate Mode.

“Notice Termination Events” shall mean, for any period during which a Credit Facility is in effect for any Series 2014A Bonds, those events, if any, specified in such Credit Facility or the related Credit Facility Agreement upon the occurrence of which, after the giving of notice, the Credit Provider shall not be required to purchase tendered Series 2014A Bonds of such Series; *provided* that such Notice Termination Event shall not apply to a Credit Facility in the form of a Direct-Pay Letter of Credit.

“Notice Termination Tender Date” shall have the meaning provided in Section 706 of this Eighth Supplemental Indenture.

“Optional Redemption Premium” shall have the meaning set forth in the Continuing Covenants Agreement.

“Principal Payment Date” shall mean any date upon which the principal amount of the Series 2014A-B Bonds is due hereunder at maturity or on any Redemption Date or in accordance with the terms of the applicable Continuing Covenants Agreement.

“Purchase Date” shall mean with respect to Series 2014A-B Bonds bearing interest at (i) a Flexible Rate, Term Rate or Index Rate, the Business Day after the last day of the Interest Period applicable thereto, and (ii) Daily Rate or Weekly Rate, any Business Day upon which such Series 2014A-B Bonds are tendered or deemed tendered for purchase pursuant to Section 701 of this Eighth Supplemental Indenture.

“Purchase Price” shall mean an amount equal to the principal amount of the Series 2014A-B Bonds purchased on any Purchase Date or Mandatory Purchase Date, plus, unless the Purchase Date is an Interest Payment Date or the Mandatory Purchase Date would be an Interest Payment Date even if not a Mandatory Purchase Date, accrued interest to the Purchase Date or Mandatory Purchase Date; *provided* that in the case of a change of any Mode (or Interest Period) to a Term Mode having an Interest Period extending to the Maturity Date of such Series 2014A-B Bonds, the Purchase Price may be less than one hundred percent (100%) (but not less than

ninety-six percent (96%) of the principal amount thereof with the approval of the District and the applicable Credit Provider, if any.

“Purchaser” shall mean (i) during the Initial Index Rate Period, BAPFC, and (ii) during a subsequent Index Rate Period, any other Person identified as the **“Bank,”** Bank Transferee or Non-Bank Transferee under the provisions of the Continuing Covenants Agreement, and their respective successors and assigns.

“Purchaser Rate” shall have the meaning set forth in the Continuing Covenants Agreement.

“Rate Determination Date” shall mean any date on which the interest rate on the Series 2014A-B Bonds (except for Bank Bonds or Series 2014A-B Bonds in an Auction Mode or Index Rate Mode) is required to be determined, being: (i) with respect to Series 2014A-B Bonds bearing interest at a Flexible Rate, the first day of each Interest Period, (ii) with respect to Series 2014A-B Bonds bearing interest at a Daily Rate, each Business Day; (iii) with respect to Series 2014A-B Bonds bearing interest at a Weekly Rate, (A) each Wednesday or, if Wednesday is not a Business Day, then the day next succeeding such day (B) not later than the Business Day next preceding a Mode Change Date, a Substitution Date or a Mandatory Purchase Date specified in clause (vi) of the definition of Mandatory Purchase Date; (iv) with respect to Series 2014A-B Bonds bearing interest at a Term Rate, no later than a Business Day prior to the first day of an Interest Period; and (v) with respect to the Series 2014A-B Bonds bearing interest at a Term Mode fixed to the maturity thereof, shall be a date determined by the applicable Remarketing Agent which shall be at least one Business Day prior to the Mode Change Date.

“Rating Agency” or **“Rating Agencies”** shall mean Fitch, Moody’s, and Standard & Poor’s.

“Record Date” shall mean with respect to the Series 2014A-B Bonds (other than Bank Bonds) (i) bearing interest at a Flexible Rate, Daily Rate, or Weekly Rate, the Business Day next preceding each Interest Payment Date, (ii) bearing interest at a Term Rate, the close of business on the fifteenth (15th) day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date, (iii) bearing interest at an Auction Rate, the day specified in the Auction Procedures, and (iv) during any SIFMA Index Period or LIBOR Index Period, the close of business on the last Business Day prior to the related Interest Payment Date.

“Redemption Date” shall mean the date fixed for redemption of the Series 2014A-B Bonds subject to redemption in any notice of redemption given in accordance with the terms hereof.

“Redemption Price” shall mean an amount equal to the principal of and premium, if any, and accrued interest, if any, on the Series 2014A-B Bonds to be paid on the Redemption Date.

“Refunded Bonds” shall have the meaning ascribed thereto in the recitals.

“Reimbursement Agreement” shall mean any letter of credit and reimbursement agreement between the District and a Credit Provider, and acknowledged by the Trustee, with

respect to the Series 2014A-B Bonds, as the same shall be amended, supplemented or otherwise modified in accordance with its terms.

“Reimbursement Obligation” shall have the meaning ascribed thereto in the applicable Reimbursement Agreement.

“Remarketing Agent” shall mean any remarketing agent serving as such pursuant to Section 901 of this Eighth Supplemental Indenture, and any successor agent or agents appointed from time to time as provided herein.

“Remarketing Agreement” shall mean an agreement between the District and any Remarketing Agent which relate to the remarketing of one or more Series of the Series 2014A-B Bonds, and any subsequent remarketing agreements pursuant to Section 901 of this Eighth Supplemental Indenture.

“Reset Date” shall mean (i) with respect to a LIBOR Index Rate, the date of any conversion to the LIBOR Index Rate and each first Business Day of each calendar month thereafter during a LIBOR Index Period, and (ii) with respect to a SIFMA Index Rate, the date of any conversion to the SIFMA Index Rate and Thursday of each week thereafter during a SIFMA Index Period.

“Serial Bonds” shall mean any Series 2014A-B Bond designated as such pursuant to Section 211(d).

“Series 2014A Bonds” shall mean the District’s Multimodal General Obligation Bonds, Series 2014A in the aggregate principal amount of \$99,985,000, issued pursuant to this Eighth Supplemental Indenture.

“Series 2014A Continuing Covenants Agreement” shall mean that certain Continuing Covenants Agreement dated the Closing Date, between BAPFC and the District relating to the Series 2014A Bonds, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

“Series 2014A Credit Facility Purchase Account” shall mean the Series 2014A Credit Facility Purchase Account established in the Series 2014A Purchase Fund pursuant to Section 401.

“Series 2014A Interest Account” shall mean the Series 2014A Interest Account established in the Interest Fund pursuant to Section 401 hereof.

“Series 2014A Letter of Credit Account” shall mean the Series 2014A Letter of Credit Account established in the Bond Fund pursuant to Section 401 hereof.

“Series 2014A Principal Account” shall mean the Series 2014A Principal Account established in the Bond Fund pursuant to Section 401 hereof.

“Series 2014A Purchase Fund” shall mean the Series 2014A Purchase Fund established pursuant to Section 401, which shall be held by the Paying Agent.

“Series 2014A Redemption Account” shall mean the Series 2014A Redemption Account established in the Bond Fund pursuant to Section 401 hereof.

“Series 2014A Remarketing Proceeds Account” shall mean the Series 2014A Remarketing Proceeds Account established in the Series 2014A Purchase Fund pursuant to Section 401 hereof.

“Series 2014A-B Bonds” shall mean, together, the Series 2014A Bonds and the Series 2014B Bonds.

“Series 2014B Bonds” shall mean the District’s Multimodal General Obligation Bonds, Series 2014B in the aggregate principal amount of \$224,315,000, issued pursuant to this Eighth Supplemental Indenture.

“Series 2014B Continuing Covenants Agreement” shall mean that certain Continuing Covenants Agreement dated the Closing Date, between BAPFC and the District relating to the Series 2014B Bonds, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

“Series 2014B Credit Facility Purchase Account” shall mean the Series 2014B Credit Facility Purchase Account established in the Series 2014B Purchase Fund pursuant to Section 401.

“Series 2014B Interest Account” shall mean the Series 2014B Interest Account established in the Interest Fund pursuant to Section 401 hereof.

“Series 2014B Letter of Credit Account” shall mean the Series 2014B Letter of Credit Account established in the Bond Fund pursuant to Section 401 hereof.

“Series 2014B Principal Account” shall mean the Series 2014B Principal Account established in the Bond Fund pursuant to Section 401 hereof

“Series 2014B Purchase Fund” shall mean the Series 2014B Purchase Fund established pursuant to Section 401, which shall be held by the Paying Agent.

“Series 2014B Redemption Account” shall mean the Series 2014B Redemption Account established in the Bond Fund pursuant to Section 401 hereof.

“Series 2014B Refunded Bonds Redemption Fund” shall mean the Series 2014B Refunded Bonds Redemption Fund established pursuant to Section 401 hereof.

“Series 2014B Remarketing Proceeds Account” shall mean the Series 2014B Remarketing Proceeds Account established in the Series 2014B Purchase Fund pursuant to Section 401 hereof.

“Short-Term Mode” shall mean each of the Daily Mode, the Weekly Mode, and the Flexible Mode.

“SIFMA Index” shall mean, for any date computed, the level of the index which is issued weekly and which is compiled from the weekly interest rate resets of tax-exempt variable rate issues included in a database maintained by Municipal Market Data which meet specific criteria established from time to time by the Securities Industry and Financial Markets Association and issued on Wednesday of each week, or if any Wednesday is not a Business Day, the next preceding Business Day. If the SIFMA Index is no longer published, then **“SIFMA Index”** shall mean the S&P Weekly High Grade Index. If the S&P Weekly High Grade 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 the Securities Industry and Financial Markets Association to determine the SIFMA Index immediately prior to the date on which the Securities and Financial Markets Association ceased publication of the SIFMA Index.

“SIFMA Index Period” means each period commencing on the date on which any Series 2014A-B Bonds begin to bear interest at the SIFMA Index Rate and ending on the date on which the Series 2014A-B Bonds cease to bear interest at the SIFMA Index Rate.

“SIFMA Index Rate” shall mean a per annum rate of interest equal to the sum of (a) the Applicable Spread plus (b) the SIFMA Index.

“SIFMA Index Rate Mode” shall mean each period of time in which any Series 2014A-B Bonds bear interest at the SIFMA Index Rate, beginning on, and including the conversion date to the SIFMA Index Rate and ending on, and including, the earliest of the day preceding the conversion to a different interest rate mode or the Maturity Date.

“Sinking Fund Redemption Date” shall mean, with respect to Series 2014A-B Bonds, the respective dates specified in Section 302 of this Eighth Supplemental Indenture.

“Subseries 2008C-1 Redemption Account” shall mean the Series 2008C-1 Redemption Account established in the Series 2014B Refunded Bonds Redemption Fund pursuant to Section 401 hereof.

“Subseries 2008C-2 Redemption Account” shall mean the Series 2008C-2 Redemption Account established in the Series 2014B Refunded Bonds Redemption Fund pursuant to Section 401 hereof.

“Substitution Date” shall mean with respect to a Credit Facility, the date on which an Alternate Credit Facility is to be substituted for any Credit Facility then in effect pursuant to Section 801 hereof.

“Taxable Date” shall have the meaning set forth in the applicable Continuing Covenants Agreement.

“Taxable Payments” shall have the meaning set forth in the applicable Continuing Covenants Agreement.

“Taxable Rate” shall have the meaning set forth in the applicable Continuing Covenants Agreement.

“Tender Agent” shall mean, for the Series 2014A-B Bonds, the Trustee or such other person appointed as the tender agent for such Series 2014A-B Bonds pursuant to Section 902 of this Eighth Supplemental Indenture.

“Tendered Bonds” shall have the meaning provided in Section 713 of this Eighth Supplemental Indenture.

“Termination Date” shall mean the date upon which a Credit Facility is to terminate as a result of the occurrence of (i) an Immediate Termination Event, (ii) the date specified in any Notice of Termination, which date must be not less than ten (10) Business Days after the date on which the Trustee, the District and the applicable Remarketing Agent receive such Notice of Termination from the Credit Provider or (iii) any Notice Termination Event specified in a Credit Facility or the related Credit Facility Agreement as providing the Credit Provider the right to terminate the Credit Facility, which date in the case of any such Notice Termination Event must be not less than thirty (30) days after the date on which the District, the applicable Remarketing Agent, the Trustee and the Tender Agent receive notice from the Credit Provider stating that, as a result of such Notice Termination Event, the Credit Provider, in accordance with the provisions of the applicable Credit Facility, has elected to terminate the Credit Facility and stating the date of termination. **No Credit Facility in the form of a Direct-Pay Letter of Credit shall contain any provision that would permit immediate suspension or termination without a mandatory tender pursuant to Section 706 of this Eighth Supplemental Indenture.**

“Term Loan Period” shall have the meaning set forth in the applicable Continuing Covenants Agreement.

“Term Mode” shall mean the mode in which any Series 2014A-B Bonds bear interest at a Term Rate.

“Term Rate” shall mean an interest rate determined pursuant to Section 208(a) of this Eighth Supplemental Indenture.

“Unremarketed Bonds Rate” shall mean (i) if a Direct-Pay Letter of Credit was delivered in connection with the Series 2014A-B Bonds, the Alternate Rate plus three percent (3%) per annum and (ii) if a Direct-Pay Letter of Credit was not delivered in connection with the Series 2014A-B Bonds, the Maximum Rate, provided in no event shall either such rate exceed the highest rate allowed by law.

“Weekly Mode” shall mean the mode in which any Series 2014A-B Bonds bear interest at a Weekly Rate.

“Weekly Rate” shall mean an interest rate determined pursuant to Section 207.

Section 103. Time.

All references to the time of day or close of business used in this Eighth Supplemental Indenture are to the time in effect and close of business in the City of New York, New York.

Section 104. Reference to Articles and Sections.

Unless otherwise indicated, all references herein to particular articles or sections are references to articles or sections of this Eighth Supplemental Indenture.

ARTICLE II

DETAILS AND FORM OF THE SERIES 2014A-B BONDS

Section 201. Series 2014A-B Bonds.

The Series 2014A Bonds shall be issued as a Series of Bonds pursuant to Articles II and X of the Master Trust Indenture in the aggregate principal amount of \$99,985,000, the proceeds of which will be used to provide funds to finance a portion of the District's fiscal year 2014 Capital Improvements Program.

The Series 2014B Bonds shall be issued as a Series of Bonds pursuant to Articles II and X of the Master Trust Indenture in the aggregate principal amount of \$224,315,000, the proceeds of which will be used to provide funds to (i) refund the Refunded Bonds and (ii) finance a portion of the District's fiscal year 2014 Capital Improvements Program.

Section 202. General Terms.

The Series 2014A Bonds are designated "**District of Columbia Multimodal General Obligation Bonds, Series 2014A**", and shall bear the terms set forth herein and in the Master Trust Indenture. The Series 2014B Bonds are designated "**District of Columbia Multimodal General Obligation Bonds, Series 2014B**", and shall bear the terms set forth herein and in the Master Trust Indenture.

Beginning on the Initial Index Rate Closing Date, the Series 2014A Bonds shall bear interest at the SIFMA Index Rate determined as provided in Section 1002 hereof until changed to any other Mode, and subject to adjustment pursuant to the provisions of Section 1002 hereof and the Series 2014A Continuing Covenants Agreement. Beginning on the Initial Index Rate Closing Date, the Series 2014B Bonds shall bear interest at the LIBOR Index Rate determined as provided in Section 1002 hereof until changed to any other Mode, and subject to adjustment pursuant to the provisions of Section 1002 hereof and the Series 2014B Continuing Covenants Agreement.

Except as otherwise permitted by Section 211(d) of this Eighth Supplemental Indenture, the Series 2014A Bonds shall mature and become payable on June 1, 2039 and the Series 2014B Bonds shall mature and become payable on June 1, 2027, subject to the rights and requirements of prior redemption under Article III of this Eighth Supplemental Indenture, and other than a Series 2014A-B Bond in a Mode fixed to the Maturity Date purchased under Article VII of this

Eighth Supplemental Indenture. The Series 2014A-B Bonds shall be subject to mandatory sinking fund redemption prior to stated maturity as provided in Section 302 of this Eighth Supplemental Indenture.

The Series 2014A Bonds shall be payable, executed, authenticated, registered, exchangeable and secured all as set forth in the Master Trust Indenture, this Eighth Supplemental Indenture and the Series 2014A Continuing Covenants Agreement. The Series 2014B Bonds shall be payable, executed, authenticated, registered, exchangeable and secured all as set forth in the Master Trust Indenture, this Eighth Supplemental Indenture and the Series 2014B Continuing Covenants Agreement.

Section 203. Form of the Series 2014A-B Bonds.

During the Initial Index Rate Period, the Series 2014A-B Bonds shall be issued as fully registered bonds without coupons in Authorized Denominations only, and in substantially the form attached as Exhibit B to this Eighth Supplemental Indenture with appropriate variations, omissions, insertions, notations, legends or endorsements required by law or usage or permitted or required by this Eighth Supplemental Indenture. Thereafter, the Series 2014A-B Bonds may be in the following forms, in each case to be fully registered bonds without coupons in Authorized Denominations only, and with appropriate variations, omission, insertions, notation, legends or endorsements required by law or usage or permitted or required by this Indenture: (i) the Series 2014A-B Bonds converted to the Daily Rate Mode, Weekly Rate Mode, Flexible Rate Mode, Fixed Rate Mode or Auction Rate Mode and for which payments are to be administered by the book-entry system of DTC or other Depository, shall be in substantially the form attached as Exhibit A to this Eighth Supplemental Indenture; and (ii) the Series 2014A-B Bonds converted to another Index Rate Mode for which payments are not to be administered by the book-entry system of a Depository shall be in substantially the form attached as Exhibit B to this Eighth Supplemental Indenture.

During any period that the Depository or its nominee is the registered Holder of the Series 2014A-B Bonds, such forms shall be changed as may be necessary or desirable to reflect such registered ownership. Upon any change in Mode, the District may prepare new forms of the Series 2014A-B Bonds satisfactory to each applicable Credit Provider (if a Credit Facility is in effect with respect to any Series 2014A-B Bonds) which contain the terms of the Series 2014A-B Bonds applicable in the new Mode. Each Series 2014A-B Bond bearing interest at an Index Rate shall contain a legend indicating that the transferability of such Series 2014A-B Bond is subject to the restrictions set forth in this Eighth Supplemental Indenture and the applicable Continuing Covenants Agreement, if any.

Section 204. Denominations, Medium, Method and Place of Payment of Principal and Interest and Dating of Series 2014A-B Bonds.

(a) The Series 2014A-B Bonds shall be issued in fully registered form in Authorized Denominations as herein provided. The principal and Purchase Price of and premium, if any, and interest on the Series 2014A-B Bonds shall be payable in lawful money of the United States of America. The interest on the Series 2014A-B Bonds that are not Bank Bonds shall be due on the Interest Payment Dates and payable (i) in the case of the Series 2014A-B Bonds in a Short-Term

Mode, by wire transfer of immediately available funds to the account specified by the Bondholder, or by the applicable Remarketing Agent, in a written direction delivered to the Trustee (such direction to remain in effect until revoked or revised by such Bondholder, or by the applicable Remarketing Agent, in a subsequent written direction delivered to the Trustee) or, if no such account number is furnished, by check mailed by the Trustee to the Bondholder at the address appearing on the Register required to be kept by the Bond Registrar pursuant to the Master Trust Indenture, and (ii) in the case of the Series 2014A-B Bonds in the Term Mode or an Index Rate Mode, by check or draft of the Trustee, mailed to the respective Bondholders at their addresses as they appear on the applicable Record Date in the Register, except that in the case of a Holder of \$1,000,000 or more in aggregate principal amount of the Series 2014A-B Bonds, upon the written request of such Bondholder to the Trustee, received on or prior to a Record Date, specifying the account or accounts to which such payment shall be made, payment of interest when due shall be made by wire transfer of immediately available funds to the account or accounts specified by such Holder. Any such request shall remain in effect until revoked or revised by such Bondholder by an instrument in writing delivered to the Trustee. The principal of and premium, if any, on any Series 2014A-B Bond shall be payable on its Principal Payment Date, upon surrender thereof at the designated corporate trust office of the Trustee, except that in the case of a Holder of \$1,000,000 or more in aggregate principal amount of the Series 2014A-B Bonds, upon written request of such Bondholder to the Trustee, received on or prior to a Record Date, specifying the account or accounts to which such payment shall be made, payment of principal of and premium, if any on any Series 2014A-B Bond shall be payable by wire transfer of immediately available funds to the account or accounts specified by such Holder.

(b) Any Series 2014A-B Bonds that become Bank Bonds shall accrue interest at the Bank Rate, as provided for in the applicable Reimbursement Agreement, *provided, however*, that Bonds held by a Purchaser pursuant to a Continuing Covenants Agreement shall not be Bank Bonds. The principal of, and interest on any Bank Bonds shall be payable at the Bank Rate at the times, in the amounts, in the manner and otherwise as provided by the applicable Reimbursement Agreement then in effect. Bank Bonds shall not bear interest at the Bank Rate after the Bank Bonds Sale Date unless such Bank Bonds shall again become Bank Bonds.

(c) Each Series 2014A-B Bond shall be dated as of the Initial Index Rate Closing Date and also shall show the date of authentication thereof and shall bear interest from the Interest Payment Date next preceding the date of authentication, unless such date of authentication is after a Record Date and on or before the next succeeding Interest Payment Date, in which event such Series 2014A-B Bond shall bear interest from and including such Interest Payment Date, or unless such date of authentication is prior to the Record Date with respect to the first Interest Payment Date, in which event such Series 2014A-B Bond shall bear interest from the Initial Index Rate Closing Date, until the entire principal amount thereof is paid; *provided* that, subject to the terms of the applicable Continuing Covenants Agreement, if, at the time authentication of any Series 2014A-B Bond, interest is in default or overdue thereon, such Series 2014A-B Bond shall bear interest from the Interest Payment Date to which interest has previously been paid in full or made available for payment in full.

(d) Subject to the terms of the applicable Continuing Covenants Agreement, if the principal of any Series 2014A-B Bond is not paid when due (whether at maturity, sinking fund

redemption, upon acceleration or call for redemption or otherwise), then the overdue principal shall continue to bear interest until paid at the last rate applicable to such Series 2014A-B Bond.

(e) Interest on the Series 2014A-B Bonds in a Short-Term Mode and the Series 2014A-B Bonds in the SIFMA Index Rate Mode, shall be calculated on the basis of a year of three hundred sixty-five (365) or three hundred sixty-six (366) days, as appropriate, for the actual number of days elapsed to the Interest Payment Date. Interest on the Series 2014A-B Bonds in a LIBOR Index Rate Mode shall be calculated on the basis of a three hundred sixty (360) day year, for the actual number of days elapsed to the Interest Payment Date. Interest on the Series 2014A-B Bonds in the Term Mode shall be calculated on the basis of a three hundred sixty (360) day year composed of twelve thirty (30) day months. Interest on Bank Bonds shall be calculated in the manner provided for in the applicable Reimbursement Agreement.

(f) The interest rates for the Series 2014A-B Bonds contained in the records of the Trustee, absent manifest error, shall be conclusive and binding upon the District, the Trustee, any Tender Agent, Remarketing Agent, Broker-Dealer or Credit Provider, and upon the Bondholders.

(g) The Holder of any Series 2014A-B Bond shall be paid (and, shall be obligated to pay, as part of the price paid by such Holder in connection with the sale to it of such Series 2014A-B Bonds) interest thereon for an Interest Period only in the amount that would have accrued thereon at the rate or rates established pursuant to Sections 205, 206, 207, 208, or 209 of this Eighth Supplemental Indenture, as applicable.

(h) The Holder of a Series 2014A-B Bond bearing interest at an Auction Rate shall be paid interest thereon pursuant to Section 210 hereof.

(i) Subject to the terms of the applicable Continuing Covenants Agreement, no Series 2014A-B Bond, other than any Bank Bond, may bear interest at an interest rate higher than the Maximum Rate.

Section 205. Determination of Interest Rates and Interest Periods During Flexible Mode.

(a) Interest Periods for the Series 2014A-B Bonds bearing interest at a Flexible Rate shall be of a duration of at least one (1) day and not more than two hundred seventy (270) days and ending on the day next preceding a Business Day or the Maturity Date, as the applicable Remarketing Agent shall determine in accordance with the provisions of this Section 205. In making the determinations with respect to Interest Periods, subject to limitations imposed by the preceding sentence, the applicable Remarketing Agent shall on each Rate Determination Date select the Interest Period and interest rate which, if implemented on such Rate Determination Date, would result in the applicable Remarketing Agent being able to remarket all bonds of the applicable Series 2014A-B Bonds at par in the secondary market at the lowest interest rate then available and for the longest Interest Period available at such rate, *provided* that if on any Rate Determination Date, the applicable Remarketing Agent determines that current or anticipated future market conditions or anticipated future events are such that a different Interest Period would result in a lower average interest cost on the applicable Series 2014A-B Bonds, then the applicable Remarketing Agent shall select the Interest Period which in the judgment of such

Remarketing Agent would permit all applicable Series 2014A-B Bonds to achieve such lower average interest cost; *provided, however*, that if the applicable Remarketing Agent has received notice from the District that the applicable Series 2014A-B Bonds are to be changed from the Flexible Mode to any other Mode or if such Series 2014A-B Bonds are to be purchased pursuant to Section 705 of this Eighth Supplemental Indenture, such Remarketing Agent shall, with respect to the applicable Series 2014A-B Bonds, select Interest Periods which do not extend beyond the applicable Mandatory Purchase Date. The determination by the applicable Remarketing Agent of the interest rate and Interest Period under this Section 205 shall be conclusive and binding, in the absence of manifest error, upon such Remarketing Agent, the Tender Agent, the Trustee, any applicable Credit Provider, the District and the Bondholders.

(b) By 1:00 p.m. on each Rate Determination Date, the applicable Remarketing Agent shall, with respect to the applicable Series 2014A-B Bonds bearing interest at a Flexible Rate, determine an interest rate for the Interest Period for the applicable Series 2014A-B Bonds and, no later than 1:00 p.m., shall give notice by Electronic Means to the Tender Agent of the Interest Period, Purchase Date and interest rate. The Tender Agent shall notify the Trustee, by Electronic Means, by the close of business on the Rate Determination Date, of the Interest Period, Purchase Date and interest rate.

(c) By acceptance of the Series 2014A-B Bonds bearing interest at a Flexible Rate, the Holder thereof shall be deemed to have agreed, during each Interest Period, to the interest rate (including the Alternate Rate, if applicable), Interest Period and Purchase Date then applicable thereto and to have further agreed to tender such Series 2014A-B Bonds to the Tender Agent for purchase on the next succeeding Purchase Date at the Purchase Price. Such Holder further acknowledges that if funds for such purchase are on deposit with the Tender Agent on such Purchase Date, such Holder shall have no rights under the Indenture other than to receive the payment of such Purchase Price and that interest shall cease to accrue to such Holder on such Purchase Date.

Section 206. Determination of Interest Rates During Daily Mode.

The interest rate for the Series 2014A-B Bonds bearing interest at a Daily Rate shall be the rate of interest per annum determined by the applicable Remarketing Agent on or before 10:00 a.m. on the Rate Determination Date as the minimum rate of interest that, in the opinion of such Remarketing Agent, would, under then existing market conditions, result in the sale of such Series 2014A-B Bonds bearing interest at a Daily Rate on the Rate Determination Date at a price equal the principal amount thereof, plus accrued interest, if any. The applicable Remarketing Agent shall make the rate available by Electronic Means to the Trustee and to the Tender Agent no less frequently than once each Business Day. With respect to any day that is not a Business Day, the interest rate shall be the same rate as the interest rate established for the immediately preceding Rate Determination Date. The determination by the applicable Remarketing Agent of the interest rate under this Section 206 shall be conclusive and binding, in the absence of manifest error, upon such Remarketing Agent, the Tender Agent, the Trustee, any applicable Credit Provider, the District, and the Bondholders.

Section 207. Determination of Interest Rates During Weekly Mode.

The interest rate for the Series 2014A-B Bonds bearing interest at a Weekly Rate shall be the rate of interest per annum determined by the applicable Remarketing Agent on or before 5:00 p.m. on each Rate Determination Date as the minimum rate of interest that, in the opinion of such Remarketing Agent, would, under then existing market conditions, result in the sale of such Series 2014A-B Bonds bearing interest at a Weekly Rate on the Rate Determination Date at a price equal to the principal amount thereof, plus accrued interest, if any. The applicable Remarketing Agent shall make the rate available by Electronic Means to the Trustee and the Tender Agent by 5:00 p.m. on the Rate Determination Date. The determination by the applicable Remarketing Agent of the interest rate under this Section 207 shall be conclusive and binding, in the absence of manifest error, upon such Remarketing Agent, the Tender Agent, the Trustee, any applicable Credit Provider, the District, and the Bondholders.

Section 208. Determination of Interest Rates and Interest Periods During Term Mode.

The Term Rate to be effective for the Interest Period commencing on any Mode Change Date after which any Series 2014A-B Bonds will bear interest at a Term Rate or any Purchase Date for the Series 2014A-B Bonds bearing interest at a Term Rate shall be determined by the applicable Remarketing Agent. No later than 5:00 p.m. on the Rate Determination Date, such Remarketing Agent shall determine the Term Rate and shall make the Term Rate available by Electronic Means to the Trustee and the Tender Agent. The Term Rate shall be the minimum rate that, in the sole judgment of the applicable Remarketing Agent, would result in a sale of such Series 2014A-B Bonds bearing interest at a Term Rate at a price equal to the principal amount thereof (or, in the event such Series 2014A-B Bonds bearing interest at a Term Rate have an Interest Period extending to maturity, at such lesser price, not to be less than ninety-six percent (96%) of the outstanding aggregate principal amount of such Series 2014A-B Bonds, as shall have been approved in writing by the District) on the Rate Determination Date taking into consideration the duration of the Interest Period, which shall be established by the District. The Authorized Delegate shall approve the sale of such Series 2014A-B Bonds at a discount and shall establish the Interest Period of such Series 2014A-B Bonds bearing interest at a Term Rate hereunder on behalf of the District. Prior to the remarketing of such Series 2014A-B Bonds bearing interest at a Term Rate at a discount, the District shall deposit the amount of such discount in immediately available funds in the applicable Purchase Fund.

Section 209. Alternate Rate for Interest Calculation.

(a) While the Series 2014A-B Bonds are in an Index Rate Mode, interest shall be calculated as set forth in Article X hereof.

(b) In the event (i) any Remarketing Agent fails to determine the interest rate(s) or Interest Periods with respect to any Series 2014A-B Bonds, or (ii) the method of determining the interest rate(s) or Interest Periods with respect to the Series 2014A-B Bonds shall be held to be invalid by a court of law of competent jurisdiction, such Series 2014A-B Bonds shall thereupon, until such time as the applicable Remarketing Agent again makes such determination or until there is delivered to the District and the Trustee a Favorable Opinion of Bond Counsel

to the effect that the method of determining such rate is valid, bear interest at the Alternate Rate for the Mode in effect and, in the case of any Series 2014A-B Bonds bearing interest at a Flexible Rate, for an Interest Period of thirty (30) days. The applicable Remarketing Agent shall inform the Trustee, the Paying Agent and the District of the Alternate Rate for any Interest Period during which the Alternate Rate shall be in effect with respect to any Series 2014A-B Bonds.

Section 210. Determination of Auction Rates and Auction Periods During Auction Mode.

The Auction Rates and Auction Periods shall be determined in accordance with the Supplemental Indenture applicable to the Series 2014A-B Bonds in an Auction Mode until such time as the Series 2014A-B Bonds are changed (on a Mode Change Date) to bear interest at a Flexible Rate, Daily Rate, Weekly Rate, or Term Rate.

Section 211. Changes in Mode.

(a) At the option of the District, any Mode, other than a Term Mode expiring on the day before the Maturity Date, may be changed to any other Mode at the times and the manner hereinafter provided. Subsequent to such change in Mode, the Series 2014A-B Bonds may again be changed at the option of the District to a different Mode at the times and in the manner hereinafter provided. The Series 2014A-B Bonds converted to a Term Mode fixed to the maturity thereof shall not be changed to any other Mode. At all times when the Series 2014A Bonds are Outstanding all the Series 2014A Bonds shall be in the same Mode. At all times when the Series 2014B Bonds are Outstanding all the Series 2014B Bonds shall be in the same Mode. Any provision in this Eighth Supplemental Indenture relating to changes in Mode or subsequent determination of interest on the Series 2014A Bonds (including without limitation the provisions of Article VII hereof) shall be construed to apply individually to the Series 2014A Bonds. Any provision in this Eighth Supplemental Indenture relating to changes in Mode or subsequent determination of interest on the Series 2014B Bonds (including without limitation the provisions of Article VII hereof) shall be construed to apply individually to the Series 2014B Bonds.

(b) The option of the District to change the Mode of the Series 2014A-B Bonds shall be exercised by written notice from an Authorized Delegate on behalf of the District to the Notice Parties stating the District's intention to effect a change in the Mode from the Mode then prevailing (the "**Current Mode**") to another Mode (the "**New Mode**") specified in such written notice, together with the proposed Mode Change Date which shall be a Business Day. Such written notice shall be given by the District not later than twenty (20) days to the Notice Parties, and the Trustee shall give notice not later than fifteen (15) days to Holders of the Series 2014A Bonds or Series 2014B Bonds, as applicable, in each case prior to the proposed Mode Change Date for any change from one Short-Term Mode to another Short-Term Mode, including an Index Rate Mode, and not later than forty-five (45) days to the Notice Parties and the Trustee shall give notice not later than thirty (30) days to Holders of the Series 2014A Bonds or the Series 2014B Bonds, as applicable, in each case prior to the proposed Mode Change Date for any change to or from a Term Mode. Such notice shall include, as applicable, the following information:

(i) the New Mode to which the applicable Series 2014A-B Bonds are to be subject;

(ii) the proposed Mode Change Date;

(iii) the date on which the interest rate for the New Mode will be determined; and, in the case of a change to a Term Mode, the Interest Period and the Interest Payment Dates for such Term Mode, and, in the case of a change to an Auction Mode, the length of the Auction Period;

(iv) except in the case of a change to the Flexible Mode, the Interest Payment Date applicable to the New Mode;

(v) the redemption provisions and the terms of purchase to be applicable to the Series 2014A-B Bonds in the New Mode;

(vi) that such Holder is required to tender its applicable Series 2014A-B Bonds for purchase on the Mode Change Date (except in the case when the Current Mode and the New Mode are Weekly Mode or Daily Mode); and

(vii) whether a Credit Facility will be in effect during the New Mode.

(c) The following provisions apply to changes from one Mode to another:

(i) the Mode Change Date: (1) from a Flexible Mode shall be the Purchase Date of the current Interest Period; (2) from a Term Mode shall be the Purchase Date of the current Interest Period; (3) from a Daily Mode or Weekly Mode (other than to the Daily or Weekly Mode), any Interest Payment Date and in the case of a change from the Daily or Weekly Mode to the Daily or Weekly Mode, any Business Day, (4) from an Auction Mode shall be the Interest Payment Date following the final Auction Period or (5) from an Index Rate Mode (including from any Index Rate Mode to another Index Rate Mode), the Interest Payment Date following the end of the Index Rate Period.

(ii) no change in Mode will become effective unless all conditions precedent thereto have been met and, except in the case where the Current Mode and the New Mode are the Weekly Mode or Daily Mode, the following items shall have been delivered to the Trustee and any Remarketing Agent or the Broker-Dealer, as the case may be, by 12:00 noon, or such later time as is acceptable to the District, the Trustee and any Remarketing Agent or the Broker-Dealer, as the case may be, on the Business Day preceding a scheduled Mode Change Date:

(1) a Favorable Opinion of Bond Counsel dated as of, and (except as theretofore withdrawn) for release on, the Mode Change Date;

(2) a consent of each provider of a Direct-Pay Letter of Credit securing any Series 2014A-B Bonds being converted into the New Mode (except when there is a conversion to a Fixed Mode);

(3) with respect to any Series 2014A-B Bonds being converted into the New Mode, a Credit Facility meeting the Liquidity Requirement for the applicable Mode; and

(4) Rating Confirmations.

(iii) if all conditions to the change of Mode are met by the time provided in subsection (c)(ii) of this Section 211, the Interest Period for the New Mode shall commence on the Mode Change Date and the interest rate (together, in the case of a change to the Flexible Mode, with the Interest Period) shall be determined by the applicable Remarketing Agent or an Auction Agent in the manner provided in Sections 205, 206, 207, 208, 210 and the Auction Procedures.

(iv) in the event the foregoing conditions have not been satisfied by the Business Day prior to a Mode Change Date, the New Mode shall not take effect and the Series 2014A-B Bonds shall remain in the Mode previously in effect.

(v) The following additional conditions must be satisfied before a conversion to a Flexible Mode shall become effective:

(A) The District must engage, at its expense, a commercial paper issuing and paying agent (the "Issuing Agent"), reasonably acceptable to the Trustee and having access to DTC's electronic money market issuing and payment system and otherwise eligible to serve as an issuing and paying agent under DTC's policies and procedures for issuance and payment of commercial paper;

(B) The Remarketing Agent must arrange for the execution and delivery to DTC of the required DTC letter of representation for the eligibility of the Series 2014A-B Bonds in the Flexible Mode in DTC's book entry system and the provision of any needed CUSIP numbers;

(C) The District shall take all other action needed to comply with DTC requirements applicable to the issuance and payment of the Series 2014A-B Bonds while in the Flexible Mode; and

(D) The District shall enter into any amendment of this Eighth Supplemental Indenture that is needed to comply with DTC's requirements concerning the issuance and payment of the Series 2014A-B Bonds in the Flexible Mode.

(d) The Authorized Delegate may, in the notice given pursuant to Section 211(b) hereof in connection with any change to the Term Mode, provide that all or some of the Series 2014A-B Bonds shall be Serial Bonds. The principal amount and Bond Payment Date of the Series 2014A-B Bonds designated as Serial Bonds due on any June 1 shall be equal to the sinking fund redemption obligation specified for such Series 2014A-B Bonds on such date in Section 302(a) hereof, and the remaining sinking fund redemption obligations shall continue to be sinking fund redemption obligations for such Series 2014A-B Bonds due on the Maturity Date, unless the Authorized Delegate specifies otherwise in the notice; *provided, however*, the Bond Payment Date relating to each Serial Bond shall be the due date specified in Section 302(a)

of this Eighth Supplemental Indenture for the sinking fund redemption obligations. The interest rate for the Serial Bonds maturing on a particular date may be different from the interest rate or rates established for other Series 2014A-B Bonds.

(e) No Series 2014A-B Bonds in a Short-Term Mode, Term Mode or Index Rate Mode may be changed to an Auction Mode unless (i) the Series 2014A-B Bonds are held by the Depository in book-entry form, and (ii) an Auction Agent and at least one Broker-Dealer have been appointed to receive the notices and perform the duties set forth herein. No Series 2014A-B Bonds in an Auction Mode or an Index Rate Mode may be changed to a Short-Term Mode or Term Mode (other than a Term Mode having an Interest Period extending to the maturity of the Series 2014A-B Bonds) unless (i) a Remarketing Agent and Credit Provider have been appointed to receive the notices and perform the duties set forth herein and as otherwise set forth in the applicable Remarketing Agreement and Credit Facility, and (ii) a Credit Facility with respect to such Series 2014A-B Bonds shall be in effect on the Mode Change Date.

Section 212. Registration and Authentication of Series 2014A-B Bonds.

The Tender Agent shall be co-Authenticating Agent and co-Bond Registrar for the purpose of authenticating and registering the transfer of Series 2014A-B Bonds required to be purchased pursuant to Article VII. The Tender Agent shall have no responsibility to maintain a complete record of the registered Holders of the Series 2014A-B Bonds. The Trustee will deliver to the Tender Agent such records as it may request in order to enable it to perform its duties as co-Authenticating Agent and co-Bond Registrar for the Series 2014A-B Bonds and shall mail to the Tender Agent copies of each communication sent to the Holders of the Series 2014A-B Bonds not later than the date such communication is mailed to the Holders. The Tender Agent shall promptly deliver to the Trustee for cancellation all Series 2014A-B Bonds surrendered to it for purchase along with copies of transfer documents, including any written notice of tender. The Tender Agent shall promptly notify the Trustee of the number, principal amount, date of authentication and registered Holder(s) of all Series 2014A-B Bonds authenticated by the Tender Agent. All Series 2014A-B Bonds authenticated by the Tender Agent shall have the same force and effect as if authenticated by the Trustee.

Section 213. Book-Entry System.

All Series 2014A-B Bonds, except as may be set forth in the applicable Continuing Covenants Agreement, shall initially be registered in the name of Cede & Co., as nominee of DTC as Depository for the Series 2014A-B Bonds in accordance with the terms of a letter of representations from the District to DTC. The Series 2014A-B Bonds shall be registered upon subsequent transfer or exchange as provided in the Master Trust Indenture.

A single certificate shall be issued and delivered to the Depository for each maturity of the Series 2014A-B Bonds. The actual purchasers of the Series 2014A-B Bonds (the “**Beneficial Owners**”) will not receive physical delivery of Bond certificates except as provided herein. So long as there exists a Depository as provided herein, all transfers of beneficial ownership interests in the Series 2014A-B Bonds shall be made by book-entry only, and no person purchasing, selling or otherwise transferring beneficial ownership interests in the Series 2014A-B Bonds will be permitted to receive, hold or deliver any Series 2014A-B Bond certificate. The

District, the Tender Agent, the Trustee, the applicable Remarketing Agent, the Bond Registrar, and the Paying Agent shall treat the Depository or its nominee as the sole and exclusive Holder of the Series 2014A-B Bonds for all purposes, including payments of principal of, premium, if any, and interest on the Series 2014A-B Bonds, notices and voting. With respect to Series 2014A-B Bonds registered in the name of Cede & Co., the District, the Tender Agent, the Trustee, the applicable Remarketing Agent, the Bond Registrar, and the Paying Agent shall have no responsibility or obligation to any Participant or to any Beneficial Owner. Without limiting the immediately preceding sentence, the District, the Tender Agent, the Trustee, the applicable Remarketing Agent, the Bond Registrar, and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any Participant with respect to any beneficial ownership interest in the Series 2014A-B Bonds, (ii) the delivery to any Participant, Beneficial Owner or other person, other than DTC, of any notice with respect to the Series 2014A-B Bonds, including any notice of redemption or tender, (iii) the payment to any Participant, Beneficial Owner or other person, other than DTC, of any amount with respect to the principal and Purchase Price of, redemption price of, premium, if any, or any interest on, the Series 2014A-B Bonds, or (iv) any consent given or other action taken by DTC as Holder of the Series 2014A-B Bonds. The Trustee and Tender Agent shall pay the principal and Purchase Price or redemption price of, and interest on, all Series 2014A-B Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to such principal and Purchase Price or redemption price, and interest, to the extent of the sum or sums so paid.

The District, the Tender Agent, the Trustee, the applicable Remarketing Agent, the Bond Registrar, and the Paying Agent agree, so long as DTC shall continue to serve as the Depository for the Series 2014A-B Bonds, to meet the requirements of DTC with respect to required notices and other provisions of the letter of representations.

The District, the Tender Agent, the Trustee, the applicable Remarketing Agent, the Bond Registrar, and the Paying Agent may conclusively rely upon (i) a certificate of the Depository as to the identity of the Participants in the Book-Entry System with respect to the Series 2014A-B Bonds and (ii) a certificate of any such Participant as to the identity of, and the respective principal amount of Series 2014A-B Bonds beneficially owned by, the Beneficial Owners.

Whenever Series 2014A-B Bonds remain Outstanding and the beneficial ownership thereof must be determined by the books of the Depository, the requirements in the Master Trust Indenture for holding, delivering, tendering or transferring Series 2014A-B Bonds shall be deemed modified to require the appropriate person to meet the requirements of the Depository with respect to such actions to produce the same effect. Any provision of the Master Trust Indenture permitting or requiring delivery of the Series 2014A-B Bonds shall, while the Series 2014A-B Bonds are in the Book-Entry System, be satisfied by notation on the books of the Depository in accordance with state law.

The District may from time to time appoint a successor Depository and enter into any agreement with such Depository to establish procedures with respect to the Series 2014A-B Bonds not inconsistent with the provisions of this Eighth Supplemental Indenture. Any successor Depository shall be a "**clearing agency**" registered under Section 17A of the Securities Exchange Act of 1934, as amended.

Neither the District, the Tender Agent, the Trustee, the applicable Remarketing Agent, the Bond Registrar, and the Paying Agent shall have any responsibility or obligation to any Depository, any Participant in the Book-Entry System, or the Beneficial Owners with respect to (i) the accuracy of any records maintained by the Depository or any Participant; (ii) the payment by the Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal and Purchase Price (including premium) of, or redemption, or interest on, any Series 2014A-B Bonds; (iii) the delivery of any notice by the Depository or any Participant; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Series 2014A-B Bonds; (v) any consent given or other action taken by the Depository or any Participant in connection with the Series 2014A-B Bonds or (vi) any other matter relating to the Depository or the Book-Entry System.

Series 2014A-B Bond certificates shall be delivered to and registered in the name of the Beneficial Owners only under the following circumstances:

(a) The Depository determines to discontinue providing its services with respect to the Series 2014A-B Bonds and no successor Depository is appointed as described above. Such a determination may be made at any time by giving reasonable notice to the District, Trustee, and Tender Agent and discharging its responsibilities with respect thereto under applicable law.

(b) The District determines not to continue the Book-Entry System through any Depository.

If at any time the Depository ceases to hold any Series 2014A-B Bonds, all references herein to the Depository shall be of no further force or effect with respect to such Series 2014A-B Bonds. In such event, the District shall issue and the Trustee shall transfer and exchange such Series 2014A-B Bond certificates as requested by DTC or Participants and confirmed by DTC of like principal amount, series and maturity in authorized denominations to the identifiable Beneficial Owners in replacement of such Beneficial Owners' beneficial interests in such Series 2014A-B Bonds.

Section 214. Delivery of the Series 2014A-B Bonds.

The Trustee shall authenticate and deliver the Series 2014A-B Bonds on the Initial Index Rate Closing Date and at such other times as the Series 2014A-B Bonds may be required to be authenticated and delivered, when there have been filed with or delivered to it all items required by Section 2.08 of the Master Trust Indenture.

ARTICLE III

REDEMPTION OF THE SERIES 2014A-B BONDS

Section 301. Optional Redemption.

(a) The Series 2014A-B Bonds may not be called for redemption by the District except as provided herein and in Article III of the Master Trust Indenture. Notice of redemption for the Series 2014A-B Bonds shall be mailed at least once by the Trustee during any period the Series 2014A-B Bonds are in a Short-Term Mode or an Auction Mode, not less than fifteen (15)

calendar days prior to the date fixed for the redemption thereof, by first class mail, postage prepaid, to the Holder of such Series 2014A-B Bond at its address as it appears on the Register as of the twentieth (20th) day (whether or not a Business Day) next preceding the date fixed for the redemption thereof, and during other Modes, not less than thirty (30) calendar days nor more than forty-five (45) days prior to the date fixed for the redemption thereof, by first class mail, postage prepaid, to the Holder of such Series 2014A-B Bond at its address as it appears in the Register as of the forty-fifth (45th) day (whether or not a Business Day) next preceding the redemption date. The failure of the Holder of a Series 2014A-B Bond to receive such notice by mail or any defect in such notice will not affect the sufficiency of the proceedings for the redemption thereof.

(b) The Series 2014A-B Bonds bearing interest at a Flexible Rate shall be subject to optional redemption by the District, in whole or in part in any Authorized Denomination, on any Purchase Date at a redemption price equal to the principal amount thereof, plus accrued interest to the Redemption Date.

(c) The Series 2014A-B Bonds bearing interest at a Daily Rate or Weekly Rate shall be subject to optional redemption by the District, in whole or in part in any Authorized Denomination, on any Business Day, at a redemption price equal to the principal amount thereof, plus accrued interest to the Redemption Date; *provided* that the Redemption Price of such Series 2014A-B Bonds shall be first paid with funds drawn on the applicable Direct-Pay Letter of Credit, and further *provided, however*, that, if the Redemption Price is to be paid with funds drawn on the applicable Direct-Pay Letter of Credit, no such Series 2014A-B Bonds shall be redeemed pursuant to this Section 301(c) without the prior written consent of the applicable Credit Provider.

(d) The Series 2014A-B Bonds bearing interest at a Term Rate shall be subject to redemption prior to maturity, in whole or in part in any Authorized Denomination, at the option of the District, on any date, at the following redemption prices (expressed as a percentage of the principal amount of the Series 2014A-B Bonds to be redeemed), for the periods indicated, together with accrued interest thereon to the Redemption Date:

Original Length of Current Term Mode	Commencement of Redemption Period	Redemption Price as a Percentage Principal
More than Eight (8) Years	Eighth (8th) anniversary of commencement of Term Mode	One hundred two percent (102%) declining by one percent (1%) on each succeeding anniversary of the first day of the redemption period until reaching one hundred percent (100%) and thereafter one hundred percent (100%)
Eight (8) years or less	Series 2014A-B Bonds are non-callable	-----

(e) The District may, in connection with a change to a Term Mode, or on any Purchase Date for the Series 2014A-B Bonds bearing interest at a Term Rate, waive or otherwise alter its rights to redeem any such Series 2014A-B Bonds on and after the Mode Change Date or Purchase Date, as the case may be; *provided* that notice describing the waiver or alteration shall be submitted to the Tender Agent, the Trustee and the applicable Remarketing Agent, together with a Favorable Opinion of Bond Counsel addressed to them.

(f) Bank Bonds shall be subject to optional redemption by the District on any date, *provided, however*, that notwithstanding anything expressed or implied in this Eighth Supplemental Indenture to the contrary, any redemption of any Bank Bonds in whole or in part shall be at a Redemption Price equal to the principal amount (or portion thereof) to be redeemed plus accrued and unpaid interest thereon to the Redemption Date; and in no event shall any redemption premium be payable under or with respect to Bank Bonds, except as may be provided in the applicable Reimbursement Agreement.

(g) Series 2014A-B Bonds bearing interest at an Auction Rate shall be subject to optional redemption by the District, in whole or in part in any Authorized Denomination, on any Interest Payment Date immediately following the end of an Auction Period, at a redemption price equal to the principal amount thereof, plus accrued interest to the Redemption Date.

(h) Bank Bonds are subject to immediate payment or purchase by the District in accordance with the terms of the applicable Reimbursement Agreement; *provided, however*, that if no event of default shall have occurred under the applicable Reimbursement Agreement, and that all representations and warranties of the District under such Reimbursement Agreement shall remain true and correct, Bank Bonds shall be subject to special mandatory redemption in the amounts and on the dates provided in, and subject to the terms of, such Reimbursement Agreement.

(i) During an Index Rate Period, subject to any limitations set forth in the applicable Continuing Covenants Agreement, the Series 2014A-B Bonds in an Index Rate Mode shall be subject to optional redemption by the District, in whole or in part, in any Authorized Denominations on any Interest Payment Date, at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, *provided, however*, if such optional redemption occurs prior to the first anniversary of the Initial Index Rate Closing Date, the District shall pay the Purchaser an Optional Redemption Premium (as defined in the applicable Continuing Covenants Agreement).

(j) The Series 2014A-B Bonds are subject to mandatory redemption at a redemption price equal to 100% of the principal amount of the Series 2014A-B Bonds to be redeemed plus accrued interest thereon (at the Purchaser Rate) to but not including the date of such redemption, on the dates, in the amounts and in the manner set forth in the applicable Continuing Covenants Agreement.

[Remainder of Page Intentionally Left Blank]

Section 302. Sinking Fund Redemption.

The Series 2014A-B Bonds bearing interest at a Flexible Rate, Daily Rate, Weekly Rate, Term Rate or Index Rate shall be subject to mandatory sinking fund redemption at par plus accrued interest on June 1, in the years and amounts as follows:

Series 2014A Bonds

<u>Year</u>	<u>Amount</u>
2017	\$ 5,000
2018	5,000
2019	5,000
2020	5,000
2021	5,000
2022	5,000
2023	5,000
2024	5,000
2025	5,000
2026	5,000
2027	5,000
2028	5,000
2029	5,000
2030	5,000
2031	5,000
2032	5,000
2033	5,000
2034	5,000
2035	5,000
2036	5,000
2037	5,000
2038	35,245,000
2039*	64,635,000

* Final Maturity

Series 2014B Bonds

<u>Year</u>	<u>Amount</u>
2017	\$ 5,000
2018	5,000
2019	5,000
2020	24,450,000
2021	25,175,000
2022	26,500,000
2023	27,475,000
2024	28,350,000
2025	29,625,000
2026	30,725,000
2027*	32,000,000

* Final Maturity

The Series 2014A-B Bonds bearing interest at an Auction Rate shall be subject to mandatory sinking fund redemption in the amounts and on the dates shown above; *provided that*, if the Redemption Date is other than an Interest Payment Date the Series 2014A-B Bonds shall be subject to mandatory sinking fund redemption in the required amounts on the Interest Payment Date immediately preceding such Redemption Date.

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such applicable Sinking Fund Redemption Date, the District may: (i) cause to be paid to the Trustee for deposit in the applicable Redemption Account, as specified by the District, such amount, or direct the Trustee to use moneys in the applicable sinking fund account in such amount, as the District may determine, accompanied by a certificate signed by the Authorized Delegate directing the Trustee to apply such amount to the purchase of respective Series 2014A-B Bonds, and the Trustee shall use all reasonable efforts to expend such funds as nearly as may be practicable in the purchase of such Series 2014A-B Bonds, at a price not exceeding the principal amount thereof plus accrued interest to such Sinking Fund Redemption Date; or (ii) receive a credit against its sinking fund redemption obligation for the applicable Series 2014A-B Bonds which prior to such date have been purchased by the District and presented to the Trustee for cancellation or redeemed (otherwise than through the operation of the sinking fund) and canceled by the Trustee and, in either case, not theretofore applied as a credit against any sinking fund redemption obligation; *provided that* the amounts so applied shall be equal to an Authorized Denomination for the then current Mode of the Series 2014A-B Bonds.

Each Series 2014A-B Bond so purchased, delivered or previously redeemed shall be credited by the Trustee as provided above at one hundred percent (100%) of the principal amount thereof against the obligation of the District with respect to the applicable Series 2014A-B Bonds on such Sinking Fund Redemption Date. Any excess over such obligation shall be credited in chronological order against applicable future sinking fund redemption obligations, or deposits

with respect thereto, and the principal amount of such Series 2014A-B Bonds to be redeemed by operation of the sinking fund shall be accordingly reduced. Any funds received by the Trustee pursuant to clause (i) of the preceding paragraph, but not expended as provided therein for the purchase of Series 2014A-B Bonds on or before said forty-fifth (45th) day shall be retained in the applicable Redemption Account, and shall thereafter be used only for the purchase of the Series 2014A-B Bonds, as a credit in chronological order, against future sinking fund obligations, or deposits with respect thereto as directed by the District.

Section 303. Partial Redemption of Bonds.

In the event of redemption of less than all Series 2014A-B Bonds of a Series having the same Maturity Date or Purchase Date, then the particular Series 2014A-B Bonds or portions thereof to be redeemed shall be selected by the Trustee randomly in such manner as the Trustee in its discretion may determine; *provided, however*, that the portion of such Series 2014A-B Bonds to be redeemed shall be in Authorized Denominations; and *provided, further*, that in the event of any partial redemption of any Series of the Series 2014A-B Bonds, the Trustee shall first select for redemption Outstanding Bank Bonds of such Series prior to selecting for redemption any such Series 2014A-B Bonds which are not Bank Bonds. The Trustee shall promptly give the applicable Credit Provider and the applicable Remarketing Agent notice by telephone of the selection of any Bank Bonds for redemption pursuant to the foregoing provision.

Upon the selection and call for redemption of, and the surrender of, any Series 2014A-B Bond for redemption in part only, the District shall cause to be executed and the Authenticating Agent shall authenticate and deliver to or upon the written order of the Holder thereof, at the expense of the District, a new Series 2014A-B Bond or Series 2014A-B Bonds of Authorized Denominations and like tenor, in an aggregate face amount equal to the unredeemed portion of the Series 2014A-B Bond surrendered.

Section 304. Effect of Call for Redemption.

Subject to Section 305(b) hereof, on the date designated for redemption by notice given as herein provided, the Series 2014A-B Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Series 2014A-B Bonds on such date. If, on the date fixed for redemption, moneys for payment of the redemption price and accrued interest are held by the Paying Agent as provided herein, interest on such Series 2014A-B Bonds so called for redemption shall cease to accrue, such Series 2014A-B Bonds shall cease to be entitled to any benefit or security hereunder, and under the Master Trust Indenture, except the right to receive payment from the moneys held by the Paying Agent and the amount of the Series 2014A-B Bonds so called for redemption shall be deemed paid and no longer Outstanding.

Section 305. Notice of Redemption.

(a) Except as otherwise provided in Sections 301(a) and 713(e) of this Eighth Supplemental Indenture, notice of redemption of the Series 2014A-B Bonds shall be given in the manner set forth in Section 3.04 of the Master Trust Indenture; *provided, however*, that

during any period that the Depository or its nominee is the registered Holder of any Series 2014A-B Bonds, notices with respect to such Series will be sent to such Depository or its nominee. During such period, the Trustee shall not be responsible for mailing notices of redemption with respect to such Series to anyone other than such Depository or its nominee. Notwithstanding anything herein to the contrary, no notice of redemption shall be required for redemptions pursuant to Section 302(b) hereof.

(b) If at the time of notice of any optional redemption of Series 2014A-B Bonds there has not been deposited with the Trustee moneys available for payment sufficient to redeem all of such Series 2014A-B Bonds called for redemption, the notice shall state that it is conditional in that it is subject to the deposit of sufficient moneys by not later than the Redemption Date, and if the deposit is not timely made the notice shall be of no effect.

Section 306. Notice to Tender Agent and Credit Provider.

Upon each redemption of any Series 2014A-B Bonds or portions thereof pursuant to Section 301 or 302 of this Eighth Supplemental Indenture, the Trustee shall within five (5) Business Days of each redemption notify the Tender Agent and the applicable Credit Provider (if a Credit Facility is in effect with respect to such Series 2014A-B Bonds) of such event.

ARTICLE IV

**FUNDS AND ACCOUNTS FOR THE SERIES 2014A-B BONDS;
PROCEEDS OF THE SERIES 2014A-B BONDS AND FLOW OF FUNDS**

Section 401. Funds and Accounts for the Series 2014A-B Bonds.

(a) There shall be established the following funds and accounts with respect to the Series 2014A Bonds:

- (i) Within the Bond Fund:
 - (1) the Series 2014A Principal Account;
 - (2) the Series 2014A Redemption Account; and
 - (3) the Series 2014A Letter of Credit Account.
- (ii) Within the Interest Fund:
 - (1) the Series 2014A Interest Account.
- (iii) The Series 2014A Purchase Fund and therein:
 - (1) the Series 2014A Remarketing Proceeds Account;
 - (2) the Series 2014A Credit Facility Purchase Account; and

- (3) the Series 2014A Mandatory Tender Repurchase Account.
 - (iv) The Series 2014A Capital Project Fund.
- (b) There shall be established the following funds and accounts with respect to the Series 2014B Bonds:
 - (i) Within the Bond Fund:
 - (1) the Series 2014B Principal Account;
 - (2) the Series 2014B Redemption Account; and
 - (3) the Series 2014B Letter of Credit Account.
 - (ii) Within the Interest Fund:
 - (1) the Series 2014B Interest Account.
 - (iii) The Series 2014B Purchase Fund and therein:
 - (1) the Series 2014B Remarketing Proceeds Account;
 - (2) the Series 2014B Credit Facility Purchase Account; and
 - (3) the Series 2014B Mandatory Tender Repurchase Account.
 - (iv) The Series 2014B Refunded Bonds Redemption Fund and therein:
 - (1) the Subseries 2008C-1 Redemption Account; and
 - (2) the Subseries 2008C-2 Redemption Account.
- (c) The referenced funds and accounts shall generally meet the requirements of the Master Trust Indenture and this Eighth Supplemental Indenture.
- (d) All funds and accounts maintained by the Trustee shall meet the requirements of an “**Eligible Account**”. An “**Eligible Account**” is an account that is either (i) maintained with a federal or state-chartered depository institution or trust company that has a Standard & Poor’s short-term debt rating of at least “**A-2**” (or, if no short-term debt rating, a long-term debt rating of “**BBB+**”); or (ii) maintained with the corporate trust department of a federal depository institution or state-chartered depository institution subject to regulations regarding fiduciary funds on deposit similar to Title 12 of the U.S. Code of Federal Regulation Section 9.10(b), which, in either case, has corporate trust powers and is acting in its fiduciary capacity.

Section 402. Use of Proceeds.

- (a) On the Closing Date, the proceeds of the sale of the Series 2014A Bonds shall be delivered to the Trustee and applied as follows:

(i) \$99,985,000 to be deposited into the Series 2014A Capital Project Fund.

(b) On the Closing Date, the proceeds of the sale of the Series 2014B Bonds shall be delivered to the Trustec and applied as follows:

(i) \$224,300,000 to be deposited into the Series 2014B Refunded Bonds Redemption Fund, for further credit as described in Section 405 below; and

(ii) \$15,000 to be deposited into the Series 2014A Capital Project Fund.

Section 403. Flow of Funds.

(a) Beginning on August 1, 2014, and on the first (1st) Business Day of each month thereafter, an amount equal to one-twelfth (1/12) of the next principal payment due on the Principal Payment Date after such date with respect to any Series 2014A-B Bonds, whether at maturity or upon mandatory sinking fund payment, shall be deposited by the District to the applicable Principal Account; *provided* that in any event not later than 12:00 noon on the third Business Day preceding each Principal Payment Date, the full amount of the principal due on the Series 2014A-B Bonds on such Principal Payment Date shall be deposited by the District to the applicable Principal Account. Not later than 12:00 noon on the third Business Day preceding each Interest Payment Date, an amount equal to the interest due on the Series 2014A-B Bonds on such Interest Payment Date (such interest to be calculated at the Maximum Rate for that number of days for which actual amount of interest due on such Interest Payment Date cannot be determined due to the timing of deposits into the applicable Series 2014 Interest Account required to be made in this Section 403(a) and the occurrence of the Rate Determination Date) interest amount shall be deposited to the applicable Series 2014A-B Interest Account. The District shall be entitled to a credit immediately before each Bond Payment Date for interest earned on the deposits made by the District.

(b) While a Direct-Pay Letter of Credit is in effect with respect to any Series 2014A-B Bonds, the Trustee shall, before 2:00 p.m. on the Business Day preceding each Interest Payment Date and Principal Payment Date, draw on the applicable Direct-Pay Letter of Credit in accordance with the terms thereof so as to receive thereunder with respect to the Series 2014A-B Bonds covered by such Direct-Pay Letter of Credit by 2:00 p.m. on said Interest Payment Date and Principal Payment Date, an amount, in immediately available funds, equal to the amount of interest and principal payable on such Series 2014A-B Bonds on such Interest Payment Date and Principal Payment Date. Notwithstanding anything herein to the contrary, the proceeds of such draws shall be deposited in the applicable Letter of Credit Account, and shall be applied to pay principal of and interest on the applicable Series 2014A-B Bonds, prior to the application of any other funds held by the Trustee therefor. Amounts held in the applicable Letter of Credit Account shall be held uninvested and separate and apart from all other funds and accounts. The Trustee shall not draw on a Direct-Pay Letter of Credit to pay interest and principal on any Bank Bonds or any Series 2014A-B Bonds that are not secured by such Direct-Pay Letter of Credit. In the event a Credit Provider repudiates or fails to make a payment under the applicable Direct-Pay Letter of Credit by 2:00 p.m. on the Interest Payment Date or the Principal Payment Date with respect to the related Series of the Series 2014A-B Bonds, the Trustee shall apply moneys on deposit in the Series 2014A-B Interest Account or the

Principal Account related to such Series 2014A-B Bonds for the payment of principal of or interest on such Series 2014A-B Bonds.

(c) All amounts in the applicable Series 2014A Interest Account or Series 2014B Interest Account shall be applied by the Trustee solely for the purpose of paying the interest on the applicable Series 2014A-B Bonds as the same becomes due and payable (including accrued interest on any such Series 2014A-B Bonds purchased or redeemed prior to maturity pursuant to the Indenture), or to reimburse the applicable Credit Provider with respect to drawings under the applicable Credit Facility for such purpose. Notwithstanding the foregoing, the Trustee shall make draws on any Direct-Pay Letter of Credit at the times and pursuant to the provisions of such Direct-Pay Letter of Credit.

(d) All amounts in each Principal Account shall be applied by the Trustee solely to redeem the applicable Series 2014A-B Bonds, or to pay such respective Series 2014A-B Bonds at maturity, as provided in the Indenture, or to reimburse the applicable Credit Provider with respect to drawings under the applicable Credit Facility for such purposes. Any amounts in the applicable Principal Account designated for redemption of the applicable Series 2014A-B Bonds shall be invested in Qualified Investments which shall mature and be available to pay when due the Redemption Price on such Series 2014A-B Bonds.

Section 404. Purchase Funds.

(a) Upon receipt of the proceeds of a remarketing of a Series of the Series 2014A-B Bonds on a Purchase Date or Mandatory Purchase Date or moneys drawn on the applicable Credit Facility then in effect, the Paying Agent shall deposit such proceeds in the applicable Remarketing Proceeds Account or the applicable Credit Facility Purchase Account in the applicable Purchase Fund, for application to the Purchase Price of such Series 2014A-B Bonds. Notwithstanding the foregoing, upon receipt of the proceeds of a remarketing of Series 2014A-B Bonds that are Bank Bonds, the Paying Agent shall immediately pay such proceeds to the applicable Credit Provider in whose name such Bank Bonds are registered.

(b) Upon receipt from any Credit Provider of the immediately available funds transferred to the Paying Agent pursuant to paragraph (c) of Section 709 of this Eighth Supplemental Indenture with respect to a Series of the Series 2014A-B Bonds, the Paying Agent shall deposit such money in the applicable Credit Facility Purchase Account in the Purchase Fund for application to the Purchase Price of such Series 2014A-B Bonds to the extent that the moneys on deposit in the applicable Remarketing Proceeds Account shall not be sufficient. Amounts deposited in any Credit Facility Purchase Account and Remarketing Proceeds Account shall be transferred by the Paying Agent to the Tender Agent for the payment of the Purchase Price of the respective Series 2014A-B Bonds. Amounts deposited in any Credit Facility Purchase Account and not needed on any Purchase Date or Mandatory Purchase Date for the payment of the Purchase Price for the applicable Series 2014A-B Bonds shall be immediately returned to the then current Credit Provider but not in an amount in excess of the funds received pursuant to such Credit Facility.

(c) Amounts held by the Paying Agent in any Credit Facility Purchase Account and any Remarketing Proceeds Account shall be held uninvested and separate and apart from all other Funds and Accounts.

Section 405. Series 2014B Refunded Bonds Redemption Fund.

(a) Upon receipt of the proceeds of the Series 2014B Bonds and other available funds from the District on the Closing Date, the Trustee shall deposit the following amounts into the Series 2014B Refunded Bonds Redemption Fund:

(i) \$67,225,385.67 into the Subseries 2008C-1 Redemption Account, consisting of proceeds of the Series 2014B Bonds in the amount of \$67,195,000; and

(ii) \$157,176,043.10 into the Subseries 2008C-2 Redemption Account, consisting of proceeds of the Series 2014B Bonds in the amount of \$157,105,000.

(b) The Trustee shall use the funds on deposit in the Subseries 2008C-1 Redemption Account and the Subseries 2008C-2 Redemption Account to redeem the Subseries 2008C-1 Bonds and the Subseries 2008C-2 Bonds, respectively, on June 27, 2014.

(c) Amounts held by the Trustee in the Series 2014B Refunded Bonds Redemption Fund and not applied to redeem the Refunded Bonds on their redemption date shall be invested in Qualified Investments, as directed in writing by the District.

(d) All amounts remaining in the Series 2014B Refunded Bonds Redemption Fund after each Subseries of the Refunded Bonds, respectively, is redeemed on its respective redemption date shall be transferred to the District for deposit in the General Fund of the District.

Section 406. Credit Provider Control and Remedies; Effect of Payments Under Direct-Pay Letter of Credit.

(a) Anything in this Eighth Supplemental Indenture to the contrary notwithstanding, during any time that the Trustee holds a Direct-Pay Letter of Credit hereunder and the applicable Credit Provider has not failed to honor a properly presented drawing made in strict conformity with the terms of such Direct-Pay Letter of Credit, such Credit Provider shall have the sole and exclusive right, but only with respect to the Series 2014A-B Bonds supported by such Direct-Pay Letter of Credit, to (i) declare any default and rescind any declaration of a default, (ii) determine the decision of, and direct the exercise of any right of, direction, consent (including but not limited to any supplement, amendment or other modification to such Series 2014A-B Bonds or the Indenture requiring Bondholder consent), or approval under any provision of this Eighth Supplemental Indenture by the Trustee, (iii) direct the time, manner and method of conducting all proceedings in connection with any right or remedy available to the Trustee hereunder and to exercise any power or right granted to the Trustee or the Bondholders hereunder, and (iv) take any and all actions to enforce this Eighth Supplemental Indenture, the Indenture and the applicable Series 2014A-B Bonds in its own name or, upon providing reasonable indemnity for costs or liabilities arising therefrom, in the name of the Trustee. Any costs incurred by the applicable Credit Provider in connection with any such action on its part

shall be treated as costs of the Trustee and shall be subject to the same repayment, lien and security rights.

(b) In the event that the principal and/or interest due on the Series 2014A-B Bonds shall be paid by a Credit Provider pursuant to a draw or draws upon the applicable Credit Facility that is a Direct-Pay Letter of Credit, until such time as the Credit Provider has been reimbursed for the full amount so drawn and been fully paid all interest due thereon in accordance with the terms hereof and thereof and of the respective Reimbursement Agreement pursuant to which such Direct-Pay Letter of Credit has been issued, the Series 2014A-B Bonds so paid by such Credit Provider shall remain Outstanding and the interest thereon shall be considered unpaid for all purposes, shall not be deemed to have been defeased or otherwise satisfied and shall not be considered to have been paid by or on behalf of the District, and all covenants, agreements and obligations of the District to the registered owners of such Series 2014A-B Bonds shall continue to exist and shall run to the benefit of such Credit Provider, and such Credit Provider shall be deemed to be an assignee or subrogee of the Holders of such Series 2014A-B Bonds and shall be subrogated to the rights of such registered owners. Except as otherwise provided in the related Reimbursement Agreement, Bank Bonds shall be registered in the name of the applicable Credit Provider or, if directed in writing by such Credit Provider, its nominee or designee on the register, or as the applicable Credit Provider may otherwise direct in writing. Except as otherwise provided in the related Reimbursement Agreement, if Bank Bonds are book-entry bonds, the beneficial ownership of such Bank Bonds shall be credited to the account of the applicable Credit Provider, or, if directed in writing by such Credit Provider, the nominee or designee of such Credit Provider, maintained at the securities depository, and such Bank Bonds shall be registered in the name of such Credit Provider or its nominee or designee on the register. With respect to any Bank Bonds purchased by a Credit Provider, such Credit Provider also shall be deemed to be the Holder or the Bondholder.

ARTICLE V

SECURITY FOR THE SERIES 2014A-B BONDS

Section 501. Security for the Series 2014A-B Bonds.

The Series 2014A-B Bonds (including any Bank Bonds) are issued pursuant to the Indenture and, together with Reimbursement Obligations, and any CCA Obligations, shall be general obligations of the District. The full faith and credit of the District is pledged for the payment of the principal of, premium, if any, and interest on the Series 2014A-B Bonds (including Bank Bonds), any CCA Obligations and any Reimbursement Obligations when due. The Series 2014A-B Bonds (including any Bank Bonds), any CCA Obligations and any Reimbursement Obligations are payable from all funds of the District not otherwise legally committed and constitute continuing obligations until paid in accordance with their terms. Notwithstanding anything to the contrary contained herein or in the Master Trust Indenture, as it may be amended or supplemented, the Series 2014A-B Bonds (including any Bank Bonds), any CCA Obligations and any Reimbursement Obligations are equally and ratably secured with any other Series of Bonds currently outstanding or hereafter issued by the District pursuant to Articles II and X of the Master Trust Indenture and all other Parity Bonds, without preference, priority or distinction of any Bonds or Parity Bonds over any other Bonds or Parity Bonds. The

Bonds, including the Series 2014A-B Bonds, and Parity Bonds are secured by a perfected security interest in and first priority lien on the funds derived from a special real property tax levied by the District and required to be collected annually pursuant to Section 481 of the Home Rule Act, without limitation as to rate or amount, in amounts sufficient, together with other revenues available, to pay the principal of, premium, if any, and interest on the Series 2014A-B Bonds (including any Bank Bonds), any CCA Obligations and any Reimbursement Obligations, all other Bonds and any Parity Bonds when due. The funds derived from the special real property tax are subject to the security interest and lien upon receipt by the District. When collected, such special tax receipts are required to be set aside in a separate special tax fund and dedicated to payment of principal and interest on the District's Bonds and Parity Bonds. The lien of the holders of the Series 2014A-B Bonds (including any Bank Bonds), any CCA Obligations and any Reimbursement Obligations, all other Bonds and any Parity Bonds, and each Credit Provider with respect to the applicable Reimbursement Obligations, on such special tax receipts is first and prior as against any other claims against the District.

ARTICLE VI

TAX COVENANTS

Section 601. General Tax Covenants.

The District and the Trustee, Bond Registrar and Paying Agent covenant for the benefit of the Holders of the Series 2014A-B Bonds that they will, to the extent within their control, take no action and permit no action to be taken which would adversely affect the tax-exemption for the Series 2014A-B Bonds. This covenant shall survive the defeasance or payment in full of the Series 2014A-B Bonds notwithstanding any other provision of the Indenture, until the requirements for payment of any rebate amounts pursuant to Section 148(f) of the Internal Revenue Code have been fully satisfied.

ARTICLE VII

PURCHASE OF THE SERIES 2014A-B BONDS

Section 701. Optional Tender in Daily Mode and Weekly Mode.

The Series 2014A-B Bonds, or portions thereof in Authorized Denominations, bearing interest at a Daily Rate (except Bank Bonds or the Series 2014A-B Bonds held by or for the account of the District) are subject to purchase, on the demand of the Holder, at a price equal to the Purchase Price on any Business Day (such purchase to be made on the Business Day upon which such demand is made), upon irrevocable telephonic notice to the Trustee, Tender Agent and the applicable Remarketing Agent (promptly confirmed by Electronic Means by 11:00 a.m.) which states the number and principal amount of such Series 2014A-B Bonds being tendered and the Purchase Date. The Tender Agent shall, as soon as practicable, give telephonic notice to the District, the Paying Agent and the applicable Credit Provider of the principal amount of the applicable Series 2014A-B Bonds being tendered. The contents of any such irrevocable telephonic tender notice shall be conclusive and binding on all parties.

The Holders of Series 2014A-B Bonds bearing interest at a Weekly Rate (except Bank Bonds or the Series 2014A-B Bonds held by or for the account of the District) may elect to have such Series 2014A-B Bonds, or portions thereof in Authorized Denominations, purchased at a price equal to the Purchase Price upon delivery of an irrevocable written notice of tender to the Tender Agent, the Trustee and the applicable Remarketing Agent, or irrevocable telephonic notice of tender to the Tender Agent, the Trustee and the applicable Remarketing Agent, promptly confirmed by Electronic Means, not later than 5:00 p.m. on a Business Day not less than seven (7) days before the Purchase Date specified by such Holder. Such notice shall (i) state the number and the principal amount of such Series 2014A-B Bond being tendered and (ii) state that such Series 2014A-B Bond shall be purchased on the Purchase Date so specified by such Holder. The Tender Agent shall, as soon as practicable, notify the District and the applicable Credit Provider by the close of business on the next succeeding Business Day of the receipt of any notice pursuant to this paragraph.

Notwithstanding anything herein to the contrary, so long as there exists a Depository with respect to any Series 2014A-B Bonds as provided herein, (i) any notice of tender with respect to such Series delivered pursuant to this Section 701 shall also (A) provide evidence satisfactory to the Tender Agent that the party delivering the notice is the Beneficial Owner or a custodian for the Beneficial Owner of the Series 2014A-B Bonds referred to in the notice, and (B) if the Beneficial Owner is not a Participant, identify the Participant through whom the Beneficial Owner will direct transfer; (ii) on or before the Purchase Date, the Beneficial Owner must direct (or if the Beneficial Owner is not a Participant, cause its Participant to direct) the transfer of said Series 2014A-B Bonds on the records of the Depository; and (iii) it shall not be necessary for such Series 2014A-B Bonds to be physically delivered on the date specified for purchase thereof, but such purchase shall be made as if such Series 2014A-B Bonds had been so delivered, and the Purchase Price thereof shall be paid to the Depository. In accepting a notice of tender pursuant to this Section 701, the Trustee and the Tender Agent may conclusively assume that the person providing the notice of tender is the Beneficial Owner of the Series 2014A-B Bonds being tendered and therefore entitled to tender them. The Trustee and Tender Agent assume no liability to anyone in accepting a notice of tender from a person whom it reasonably believes to be such a Beneficial Owner of the Series 2014A-B Bonds or, in the discretion of either, rejecting such tender, if it reasonably believes such person has not demonstrated its status as such a Beneficial Owner.

There shall be no optional tenders while the Series 2014A-B Bonds bear interest at a Flexible Rate, Term Rate, Index Rate or Auction Rate.

Section 702. Mandatory Tender at End of Flexible Mode Interest Periods.

The Series 2014A-B Bonds in the Flexible Mode shall be subject to mandatory tender for purchase on its Purchase Date at the Purchase Price. No notice of such mandatory tender shall be given to the Holders.

Section 703. Mandatory Tender at End of Term Mode.

The Series 2014A-B Bonds in the Term Mode are subject to mandatory tender for purchase on each Purchase Date at the Purchase Price.

Section 704. Mandatory Tender on Any Mode Change Date.

Except in the case of change in Mode between the Daily Mode and the Weekly Mode, the Series 2014A-B Bonds to be changed to any Mode from any other Mode (including any change from an Index Rate Mode to another Index Rate Mode) are subject to mandatory tender for purchase on the Mode Change Date at the Purchase Price.

Section 705. Mandatory Tender Upon Expiration Date; Substitution Date; Initial Index Rate Mandatory Repurchase Date; and Upon the Date Specified by the District.

(a) Except for the Series 2014A-B Bonds held by or for the account of the District, the Series 2014A-B Bonds in a Term Mode having an Interest Period extending to the Maturity Date, or the Series 2014A-B Bonds in an Auction Mode, the Series 2014A-B Bonds shall be subject to mandatory tender for purchase on:

(i) the fifth (5th) Business Day next preceding the applicable Expiration Date (unless an Alternate Credit Facility with respect to such Series 2014A-B Bonds will be in effect on the Business Day prior to such Expiration Date), which Business Day is hereinafter referred to as the “**Expiration Tender Date;**” and

(ii) the applicable Substitution Date.

(b) The Series 2014A-B Bonds bearing interest at a Weekly Rate or Daily Rate shall, with the prior written consent of the respective Credit Provider providing a Direct-Pay Letter of Credit securing such Series 2014A-B Bonds, be subject to mandatory tender for purchase on any Business Day specified by the District not less than fifteen (15) days after the Trustee’s receipt of such notice from the District and in no event later than the day preceding the applicable Expiration Date.

(c) The Series 2014A-B Bonds bearing interest at an Index Rate shall be subject to mandatory tender for purchase (i) on the Initial Index Rate Mandatory Repurchase Date, (ii) on the Final Initial Index Rate Mandatory Repurchase Date, and (iii) on any Business Day specified by the District not less than fifteen (15) days after the Trustees’ receipt of notice from the District and in no event later than the day preceding the expiration date of the applicable Continuing Covenants Agreement.

Section 706. Mandatory Tender Upon Certain Events.

(a) All of the Outstanding Series 2014A-B Bonds of a Series shall be subject to mandatory tender for purchase, at the Purchase Price, on a Business Day that is no later than ten (10) days after the Trustee receives from the applicable Credit Provider with respect to such Series a Notice of Credit Facility Default (which notice may state that the interest portion of the Credit Facility will not be reinstated), a Notice of Termination or a notice that states that an interest portion of the applicable Credit Facility will not be reinstated, *provided* that copies of any such notices shall be given by such Credit Provider to the District and the applicable Remarketing Agent simultaneously with providing any such notices to the Trustee, and such date being referred to herein as the “**Notice Termination Tender Date**” with respect to such Series; and *provided, further*, that such Series 2014A-B Bonds of a Series shall be subject to

mandatory tender for purchase not later than one (1) Business Day prior to the termination of the applicable Credit Facility.

(b) On the Notice Termination Tender Date, all applicable Outstanding Series 2014A-B Bonds shall be delivered by the Holders of such Series 2014A-B Bonds to the Paying Agent not later than 12:00 noon, and shall be purchased with proceeds derived from the applicable Credit Facility then in effect, *provided* that at or prior to such delivery, the Trustee or Paying Agent shall be in receipt of moneys representing such Purchase Price of all such Outstanding Series 2014A-B Bonds.

(c) By acceptance of any Series 2014A-B Bond issued pursuant to this Eighth Supplemental Indenture, each Holder agrees that if any Series 2014A-B Bond owned by the Holder is to be purchased as provided in this Section 706, but is not delivered by the Holder to the Paying Agent prior to 12:00 noon on the Notice Termination Tender Date applicable to such Series 2014A-B Bond, the Holder shall, nonetheless, be deemed to have fulfilled the Holder's obligation under this Eighth Supplemental Indenture to deliver such Series 2014A-B Bond to the Paying Agent on the Notice Termination Tender Date. Accordingly, the Series 2014A-B Bonds shall be deemed to have been timely delivered to the Paying Agent and to have been purchased as of the Notice Termination Tender Date with proceeds derived from the applicable Credit Facility then in effect, and as to the accrued interest component of the Purchase Price payable on any day which is an Interest Payment Date, if any, from the District if moneys for the purchase thereof are on deposit on such date with the Trustee or the Paying Agent. Moneys received by the Paying Agent for the purchase of any Series 2014A-B Bond not delivered by a Holder, but deemed delivered pursuant to this Section 706(c), shall be held by the Paying Agent in trust in a separate account, without liability for interest on such moneys, for the benefit of the non-delivering Holder, shall be available against delivery of such Series 2014A-B Bond at the principal office of the Paying Agent and shall be paid by the Paying Agent to the non-delivering Holder upon presentation and surrender of such Series 2014A-B Bond to the Paying Agent at its principal office. Such Series 2014A-B Bond shall cease to accrue interest as to the non-delivering Holder on the day preceding the applicable Notice Termination Tender Date.

(d) Within one (1) Business Day after the Trustee receives from a Credit Provider a Notice of Termination following the occurrence of any Notice Termination Event under the applicable Credit Facility, the Trustee shall give written notice thereof to the District and the applicable Remarketing Agent.

(c) Failure of the Trustee or Paying Agent to give the notices required in this Section 706, or any defect therein, shall not affect the rights or obligations of the Bondholders or any Credit Provider under this Section 706.

Section 707. Notice of Mandatory Tender for Purchase.

(a) At least fifteen (15) days prior to any Mode Change Date with respect to a change in Mode from a Short-Term Mode to another Short-Term Mode, an Auction Mode or Index Rate Mode, or an Auction Mode to a Short-Term Mode or Index Rate Mode, and at least thirty (30) days prior to any other Mode Change Date or any Purchase Date for the Series 2014A-B

Bonds in the Term Mode, the Trustee shall give notice of the mandatory tender for purchase of the Series 2014A-B Bonds.

(b) The Trustee shall, at least fifteen (15) days prior to an Expiration Tender Date, give notice of mandatory tender of the applicable Series 2014A-B Bonds on such Expiration Tender Date if it has not theretofore received confirmation that the applicable Expiration Date has been extended (including, without limitation, by the provision of an Alternate Credit Facility).

(c) The Trustee shall, at least fifteen (15) days prior to a Substitution Date, give notice of mandatory tender of the applicable Series 2014A-B Bonds on such Substitution Date if it has not theretofore received confirmation that the applicable proposed Alternate Credit Facility will not replace the applicable then current Credit Facility.

(d) Upon receipt by the Trustee from a Credit Provider of a written Notice of Credit Facility Default or a Notice of Termination, which Notice of Termination does not follow the occurrence of any Notice of Termination Event under such Credit Facility, the Trustee shall, at least ten (10) days prior to the applicable Notice Termination Tender Date, but in no event later than one (1) Business Day prior to the termination of the applicable Credit Facility, give notice of mandatory tender of the applicable Series 2014A-B Bonds on such Notice Termination Tender Date if it has not theretofore received from such Credit Provider a written notice stating that an event which resulted in such Credit Provider's giving a Notice of Credit Facility Default or a Notice of Termination has been cured or waived and that such Credit Provider has rescinded such notice.

(e) Upon receipt by the Trustee from a Credit Provider of a Notice of Termination following the occurrence of any Notice Termination Event under such Credit Facility, the Trustee shall as soon as practicable give notice by Electronic Means to the Holders of the applicable Series 2014A-B Bonds of the mandatory tender of such Series 2014A-B Bonds on the Notice Termination Tender Date if it has not theretofore received from such Credit Provider a notice stating that the Notice Termination Event which resulted in such Credit Provider's giving a Notice of Termination has been cured or waived and that such Credit Provider has rescinded such notice.

(f) Except as provided in Section 702 of this Eighth Supplemental Indenture and in subsections (d) and (e) above, notice of any mandatory tender of the applicable Series 2014A-B Bonds shall state that such Series 2014A-B Bonds are to be purchased pursuant to Sections 703, 704, 705 or 706 of this Eighth Supplemental Indenture, and shall be provided by the Trustee or caused to be provided by the Trustee by mailing a copy of the notice of mandatory tender by first-class mail to each Holder of such Series 2014A-B Bonds at the respective addresses shown in the Register. Each notice of mandatory tender for purchase shall identify the reason for the mandatory tender for purchase, and specify the Purchase Date, the Purchase Price, the place and manner of payment and that no further interest will accrue from and after the Mandatory Purchase Date to such Holder. In the event a mandatory tender of the Series 2014A-B Bonds shall occur at or prior to the same date on which an optional tender for purchase is scheduled to occur with respect to such Series 2014A-B Bonds, the terms and conditions of the applicable mandatory tender for purchase shall control. The Trustee shall give a copy of any notice of

mandatory tender given by it to the other Notice Parties. Any notice mailed as provided in this Section 707 shall be presumed conclusively to have been duly given whether or not the Holder of any applicable Series 2014A-B Bond receives the notice, and the failure of such Holder to receive any such notice shall not affect the validity of the action described in such notice.

(g) In the event that, after receiving any notice of mandatory tender pursuant to this Section 707, the Trustee receives a notice from the applicable Credit Provider that no mandatory tender is required, the Trustee shall promptly give notice to each person to whom prior notice was given pursuant to this Section 707 that no mandatory tender will occur in accordance with the prior notice.

Section 708. No Tenders or Remarketing Upon Certain Events.

Anything in this Eighth Supplemental Indenture to the contrary notwithstanding, there shall be (i) no optional tenders of or remarketing of the Series 2014A-B Bonds pursuant to Section 709 of this Eighth Supplemental Indenture on or after a conversion of the Series 2014A-B Bonds to a Term Mode having an Interest Period extending to the Maturity Date or an Auction Mode or an Index Rate Mode, (ii) no optional tenders of or remarketing of any Series 2014A-B Bonds pursuant to Section 709 of this Eighth Supplemental Indenture if the applicable Credit Provider shall have failed to have honored a properly presented and conforming drawing under the applicable Credit Facility, unless the District shall have arranged for an applicable Alternate Credit Facility pursuant to Section 801 of this Eighth Supplemental Indenture, (iii) no optional tenders of or remarketing of any Series 2014A-B Bonds pursuant to Section 709 of this Eighth Supplemental Indenture, on or after the occurrence of an Immediate Termination Event with respect to such Series, or (iv) no remarketing of any Series 2014A-B Bonds pursuant to Section 709 of this Eighth Supplemental Indenture, after the receipt of the applicable Notice of Termination. The Trustee shall give notice to the Holders of the applicable Series 2014A-B Bonds, the applicable Remarketing Agent, the applicable Credit Provider, the District, the Tender Agent and the Paying Agent of (i) the occurrence of any of the events set forth in the preceding sentence and that the occurrence of such event results in no purchases or sales of such Series 2014A-B Bonds being permitted pursuant to this Section 708 and (ii) the curing of any of such events and that in consequence purchases and sales are again permitted pursuant to this Section 708. The applicable Remarketing Agent shall not be liable to any Holder of the applicable Series 2014A-B Bonds for any remarketing activities in violation of this Section 708 if such activities were undertaken prior to the applicable Remarketing Agent's receipt of notice from the Trustee, the Paying Agent or the applicable Credit Provider, as the case may be, as provided in the preceding sentence.

Upon the occurrence of an Immediate Termination Event, the obligation of the applicable Credit Provider to purchase the applicable tendered Series 2014A-B Bonds shall immediately terminate without notice. The Trustee shall promptly notify the Bondholders of the termination of such Credit Provider's obligation to purchase the applicable tendered Series 2014A-B Bonds.

Section 709. Remarketing of the Series 2014A-B Bonds; Notices.

(a) The applicable Remarketing Agent shall offer for sale and use its best efforts to find purchasers for (i) all or portions of the applicable Series 2014A-B Bonds as to which notice

of tender pursuant to Section 701 has been given and (ii) all applicable Series 2014A-B Bonds required to be tendered for purchase pursuant to Sections 702, 703, 704, or 705 of this Eighth Supplemental Indenture. With respect to any Series 2014A-B Bonds in an Index Rate Mode, the District shall appoint a Remarketing Agent for such Series 2014A-B Bonds prior to any Mandatory Purchase Date. All Series 2014A-B Bonds (except for Bank Bonds) shall be remarketed at a purchase price equal to the principal of such Series 2014A-B Bonds. No Series 2014A-B Bonds shall be remarketed after an applicable Notice of Termination has been provided by the applicable Credit Provider to the Trustee, the applicable Remarketing Agent and the District (and not revoked) before the applicable Mandatory Purchase Date. No Bank Bonds shall be remarketed unless the Trustee confirms that the Credit Facility then in effect with respect to such Bank Bonds has been or will be immediately upon such remarketing reinstated by the amount of the reduction that occurred when such Series 2014A-B Bonds became Bank Bonds or unless a Credit Facility with respect to such Bank Bonds is no longer required to be in effect. No Series 2014A-B Bonds shall be remarketed to the District. The applicable Remarketing Agent shall exercise on an ongoing basis its best efforts to remarket the related Bank Bonds at a price equal to one hundred percent (100%) of the principal amount thereof, plus any accrued and unpaid interest, up to the Maximum Rate, prior to remarketing any Series 2014A-B Bonds of the applicable Series that are not Bank Bonds, to the extent and subject to the conditions set forth herein and in the applicable Remarketing Agreement.

(b) The applicable Remarketing Agent shall notify the Tender Agent by Electronic Means not later than 1:00 p.m. on the applicable Purchase Date or the applicable Mandatory Purchase Date of the registration instructions (i.e., the names of the tendering Bondholders and the names, addresses and taxpayer identification numbers of the purchasers, the desired Authorized Denominations and, in the case of the applicable Series 2014A-B Bonds in a Short-Term Mode, any account number for payment of principal and interest furnished by a purchaser to the applicable Remarketing Agent) with respect thereto.

The Tender Agent shall authenticate and have available for delivery to the applicable Remarketing Agent prior to 2:30 p.m. on the Purchase Date or the Mandatory Purchase Date new applicable Series 2014A-B Bonds for the respective purchasers thereof.

(c) The Remarketing Agent shall on the applicable Purchase Date or the applicable Mandatory Purchase Date, as the case may be, (i) notify the Paying Agent by Electronic Means by 11:30 a.m. of the amount of the applicable tendered Series 2014A-B Bonds that were successfully remarketed, and (ii) confirm to the Paying Agent the transfer of the Purchase Price of such remarketed Series 2014A-B Bonds to the Paying Agent in immediately available funds at or before 11:45 a.m., such confirmation to include the pertinent wire reference number.

The Paying Agent shall request funds for the purchase of the Series 2014A-B Bonds pursuant to the Credit Facility then in effect by 12:00 p.m. on the Purchase Date or the Mandatory Purchase Date, as the case may be, in an amount equal to the Purchase Price of all Series 2014A-B Bonds tendered or deemed tendered less the aggregate amount of remarketing proceeds of such Series 2014A-B Bonds transferred to the Paying Agent by the Remarketing Agent pursuant to the preceding paragraph of this Section 709(c), requesting payment not later than 2:30 p.m. on the Purchase Date or the Mandatory Purchase Date, as the case may be.

The Paying Agent shall immediately transfer any proceeds from the applicable Credit Facility then in effect and the remarketing of the applicable Series 2014A-B Bonds to the Tender Agent. The Paying Agent also shall confirm to the District and the Trustee by the close of business on the applicable Purchase Date or the applicable Mandatory Purchase Date, receipt of any proceeds from the applicable Credit Facility then in effect.

(d) The applicable Remarketing Agent shall notify the District, the applicable Credit Provider, and the Trustee by Electronic Means of any proposed remarketing of the related Bank Bonds by the close of business on the Business Day preceding the proposed date of remarketing of such Bank Bonds.

(e) By 11:00 a.m. on the applicable Bank Bond Sale Date, the applicable Remarketing Agent shall notify the applicable Credit Provider, the District and the Trustee of the principal amount and Purchase Price of the applicable remarketed Bank Bonds, and that the applicable Remarketing Agent shall deliver, or cause to be delivered, to the Paying Agent immediately available funds in an amount equal to the principal amount of such remarketed Bank Bonds and the District shall deliver to the Trustee in immediately available funds an amount equal to the accrued interest thereon (collectively, the “**Placement Price**”) against receipt of registered Bank Bonds. The Trustee shall deliver to the applicable Credit Provider the Placement Price in connection with the remarketing of such Bank Bonds registered in the name of such Credit Provider. Upon receipt of such notices from the applicable Remarketing Agent and the Trustee, such Credit Provider shall promptly, but not later than 2:00 p.m. on such Bank Bond Sale Date, notify the Trustee and the District of any other amounts then due and owing under the Credit Facility in effect with respect to such Bank Bonds. Upon receipt of such notice from such Credit Provider, the District shall immediately, and in no event later than 4:00 p.m. on such remarketing date, pay such amount in immediately available funds for payment to such Credit Provider. Notwithstanding anything in this Eighth Supplemental Indenture to the contrary, if all of the Series 2014A-B Bonds of the applicable Series are Bank Bonds, such Bank Bonds shall be remarketed at a purchase price equal to the principal of such Bank Bonds, without accrued interest, up to the Maximum Rate, and on the applicable Bank Bond Sale Date the District shall pay to the applicable Credit Provider, all accrued interest on such Bank Bonds in the amount required by the applicable Credit Facility or Reimbursement Agreement.

On a Purchase Date or a Mandatory Purchase Date, if the Purchase Price of the applicable Series 2014A-B Bonds is paid from a draw on the Direct-Pay Letter of Credit, the Trustee, at the expense of the District, shall take any and all such actions as are reasonably requested by the applicable Credit Provider and necessary to cause such Credit Provider to be reflected as the beneficial owner of the applicable Bank Bonds in the records of the Depository, including the assignment of separate CUSIP numbers for such Bank Bonds.

Section 710. Source of Funds for Purchase of the Series 2014A-B Bonds.

On or before the close of business on the applicable Purchase Date or the applicable Mandatory Purchase Date with respect to the Series 2014A-B Bonds, the Tender Agent shall purchase such Series 2014A-B Bonds from the Holders at the Purchase Price. Funds for the payment of such Purchase Price shall be derived solely from the following sources in the order of

priority indicated and neither the District, the Trustee, the Paying Agent, the Tender Agent nor the applicable Remarketing Agent shall be obligated to provide funds from any other source:

(a) proceeds of the applicable remarketing other than a remarketing to the District of Series 2014A-B Bonds on deposit in the applicable Remarketing Proceeds Account;

(b) to the extent that the moneys deposited in the applicable Remarketing Proceeds Account are not sufficient, moneys furnished to the Paying Agent by the applicable Credit Provider pursuant to and in accordance with the applicable Credit Facility in immediately available funds on deposit in the applicable Credit Facility Purchase Account; and

(c) in the case of a Purchase Date or Mandatory Purchase Date in connection with a change of Mode (or Interest Period) (except for a Daily Mode or a Weekly Mode) to a Term Mode having an Interest Period extending to the maturity of such Series 2014A-B Bonds, when such Series 2014A-B Bonds are being remarketed at a discount to their par value as permitted by Section 208 of this Eighth Supplemental Indenture and as provided herein in the definition of "**Purchase Price**," immediately available funds provided by the District and deposited prior to the date of any notice of Mandatory Tender in the applicable Purchase Fund not exceeding the amount of the discount.

(d) in the case of a Purchase Date or Mandatory Purchase Date in connection with a change of Mode to an Index Rate Mode (including any change from an Index Rate Mode to another Index Rate Mode), immediately available funds provided by the Purchaser purchasing such Series 2014A-B Bonds in the new Index Rate Mode.

Except as provided in subsection (c) of this Section 710, the District shall not be obligated to pay the Purchase Price for the Series 2014A-B Bonds.

Section 711. Delivery of the Series 2014A-B Bonds.

The Series 2014A-B Bonds shall be delivered as follows:

(a) Series 2014A-B Bonds sold by the applicable Remarketing Agent pursuant to Section 709 of this Eighth Supplemental Indenture shall be delivered by the applicable Remarketing Agent to the purchasers of such Series 2014A-B Bonds by 3:00 p.m., on the Purchase Date or the Mandatory Purchase Date, as the case may be.

(b) Series 2014A-B Bonds purchased by the Tender Agent with moneys described in Section 710(b) of this Eighth Supplemental Indenture shall be immediately registered in the name of the applicable Credit Provider or its nominee on or before the close of business on the Purchase Date or Mandatory Purchase Date, as the case may be.

(c) When any Bank Bonds are remarketed, the Tender Agent shall not release the Series 2014A-B Bonds so remarketed to the applicable Remarketing Agent until the Tender Agent has received and forwarded to the applicable Credit Provider in whose name such Bank Bonds are registered, or by whom such Bank Bonds are beneficially owned, the proceeds of such remarketing and (unless such Credit Facility is no longer to remain in effect) the applicable

Credit Facility has been reinstated by an amount equal to the Liquidity Requirement calculated with respect to the principal amount of such Bank Bonds.

Section 712. Delivery and Payment for Purchased Series 2014A-B Bonds; Undelivered Series 2014A-B Bonds.

The Series 2014A-B Bonds purchased pursuant to this Article shall be delivered (with all necessary endorsements) at or before 12:00 noon on the Purchase Date or Mandatory Purchase Date at the office of the Tender Agent; *provided, however*, that payment of the Purchase Price of any Series 2014A-B Bond purchased pursuant to Section 701 of this Eighth Supplemental Indenture shall be made only if such Series 2014A-B Bond so delivered to the Tender Agent conforms in all respects to the description thereof in the notice of tender. Payment of the Purchase Price shall be made by wire transfer in immediately available funds by the Tender Agent by the close of business on the Purchase Date, or, if the Bondholder has not provided or caused to be provided wire transfer instructions, by check mailed to the Holder. If Series 2014A-B Bonds to be purchased are not delivered by the Holders to the Tender Agent by 12:00 noon on the Purchase Date or the Mandatory Purchase Date, as the case may be, (i) such undelivered Series 2014A-B Bonds shall be deemed tendered and shall cease to accrue interest on the Purchase Date or the Mandatory Purchase Date, as the case may be, and will no longer be entitled to the benefits of the Indenture, and (ii) the Tender Agent shall hold any funds received for the purchase of those Series 2014A-B Bonds in trust in a separate account and shall pay such funds to the Holders on the Purchase Date or the Mandatory Purchase Date, as the case may be, and moneys representing the Purchase Price shall be available against delivery of those Series 2014A-B Bonds at the principal office of the Tender Agent. The Tender Agent shall authenticate a replacement Series 2014A-B Bond for any undelivered Series 2014A-B Bond which may then be delivered to the purchasers thereof by the applicable Remarketing Agent or to the applicable Credit Provider by the Tender Agent.

Any other provision hereof notwithstanding, if at any time all outstanding Series 2014A-B Bonds constitute Bank Bonds, all Credit Providers may deliver all Bank Bonds to the Trustee for cancellation and upon cancellation thereof and termination of this Eighth Supplemental Indenture, the Trustee shall pay to the applicable Credit Provider all moneys held in all Accounts and subaccounts created hereunder which are related to the applicable Series 2014A-B Bonds supported by the Credit Facility provided by such Credit Provider to the extent necessary to pay such Credit Provider amounts owed to it by the District pursuant to the respective Reimbursement Agreement.

Section 713. Insufficient Funds for Tenders.

(a) If moneys sufficient to pay the Purchase Price of all Series 2014A-B Bonds of the applicable Series to be purchased on any Purchase Date (for purposes of this Section 713, the “**Tendered Bonds**”) are not available due to a failure by a Credit Provider to honor a properly presented and conforming drawing under the applicable Credit Facility or otherwise (a “**Delayed Remarketing Period**”), (1) no purchase of such Series 2014A-B Bonds shall be consummated on such Purchase Date; (2) all such Tendered Bonds shall be returned to the Holders thereof; and (3) all remarketing proceeds related to such Tendered Bonds shall be returned to the applicable Remarketing Agent for return to the Persons providing such moneys.

(b) During any Delayed Remarketing Period resulting from a failure by a Credit Provider to honor a properly presented and conforming drawing under the applicable Credit Facility, the District may direct the conversion of the Tendered Bonds to a different Mode in accordance with Section 211 hereof; *provided* that the District shall not be required to comply with the notice requirements to the Notice Parties described in Section 211(b).

(c) Subject to the terms of the relevant Remarketing Agreement, the applicable Remarketing Agent shall continue to use its best efforts to remarket all of the Tendered Bonds.

(d) During the Delayed Remarketing Period, the Trustee may, upon direction of the District, apply amounts on deposit in the applicable Purchase Fund to the redemption of such Tendered Bonds, as a whole or in part on any Business Day during the Delayed Remarketing Period, at a redemption price equal to the principal amount thereof, together with interest accrued thereon to the date fixed for redemption, without premium. Notwithstanding any provision herein to the contrary, the Trustee shall give five (5) Business Days' notice of such redemption to the Holders of the Tendered Bonds to be redeemed.

(e) During any Delayed Remarketing Period, all Tendered Bonds that have not become Bank Bonds shall bear interest at the Unremarketed Bonds Rate and interest on such Tendered Bonds shall be paid to the Holders thereof (i) the first Business Day of each calendar month occurring during the Delayed Remarketing Period and (ii) on the last day of the Delayed Remarketing Period.

ARTICLE VIII

CREDIT FACILITY

Section 801. Credit Facility; Substitution of Credit Facility.

(a) No Credit Facility is required for the Series 2014A-B Bonds bearing interest at an Auction Rate, a Term Rate fixed to the maturity thereof or Index Rate Mode. At all times during which the Series 2014A-B Bonds bear interest at a Flexible Rate, Daily Rate, Weekly Rate or Term Rate (other than a Term Mode having an Interest Period fixed to the maturity thereof), the District shall maintain a Credit Facility (with respect to all or a portion of the Series 2014A-B Bonds) satisfying the Liquidity Requirement to secure payment of the Purchase Price of tendered Series 2014A-B Bonds and, in the case of a Direct-Pay Letter of Credit, to secure payment of the principal of and interest on the Series 2014A-B Bonds as and when due.

(b) At any time, the District may provide for the delivery to the Trustee of an Alternate Credit Facility with respect to all or a portion of the Series 2014A-B Bonds. The termination date of such Alternate Credit Facility shall be a date not earlier than three hundred sixty-four (364) days from its effective date, subject to earlier termination upon the occurrence of (i) the Termination Date, (ii) the issuance of a subsequent applicable Alternate Credit Facility, (iii) payment in full of the outstanding Series 2014A-B Bonds supported by such Alternate Credit Facility, (iv) the date all of the applicable Series 2014A-B Bonds bear interest at a Term Rate fixed to the maturity thereof or an Index Rate, or (v) a change of Mode to an Auction Mode. On or prior to the date of the delivery of an Alternate Credit Facility to the

Trustee, the District shall furnish to the Trustee (x) a Favorable Opinion of Bond Counsel, and (y) written confirmation that all Outstanding Series 2014A-B Bonds supported by the Credit Facility being replaced by such Alternate Credit Facility will thereby become subject to mandatory tender for purchase pursuant to Section 705(b) of this Eighth Supplemental Indenture.

(c) At the direction of the Authorized Delegate, the Trustee shall execute and deliver (i) any instrument that, upon such execution and delivery by the Trustee, would constitute a “**Liquidity Facility**” and/or (ii) the Credit Facility.

Section 802. Conditions for Acceptance.

If at any time there shall have been delivered to the Trustee by the District (i) an Alternate Credit Facility in substitution for a Credit Facility then in effect with respect to Series 2014A-B Bonds, (ii) a Favorable Opinion of Bond Counsel, (iii) written confirmation that all Outstanding Series 2014A-B Bonds supported by the Credit Facility being replaced by such Alternate Credit Facility will thereby become subject to mandatory tender for purchase pursuant to Section 705(b) of this Eighth Supplemental Indenture, and (iv) written evidence from the applicable Credit Provider that it is satisfied with the payment of all amounts due it under the applicable Credit Facility then in effect on or before the effective date of such Alternate Credit Facility, then the Trustee shall accept such Alternate Credit Facility, shall draw on the existing Credit Facility to purchase the applicable Series 2014A-B Bonds that are called for mandatory tender and once the draw on the existing Credit Facility has been honored, shall surrender the applicable Credit Facility then in effect to the applicable Credit Provider on the effective date of the Alternate Credit Facility. The District shall give the Trustee, the Tender Agent and the applicable Credit Provider written notice, indicating the proposed effective date of the Alternate Credit Facility, of the proposed substitution of an Alternate Credit Facility for the applicable Credit Facility then in effect no less than twenty (20) calendar days prior to the proposed effective date.

The Paying Agent shall, on the Substitution Date (and after the transfer of any applicable remarketing proceeds pursuant to Section 709(c) of this Eighth Supplemental Indenture), request funds for the purchase of the applicable Series 2014A-B Bonds pursuant to the applicable Credit Facility then in effect prior to such Alternate Credit Facility to pay the Purchase Price of the applicable Series 2014A-B Bonds due on such Substitution Date; *provided* that the applicable Credit Facility then in effect shall not be terminated by its terms until requested funds for the purchase of the applicable Series 2014A-B Bonds pursuant to such Credit Facility have been transferred to the Paying Agent.

In the event a Series of the Series 2014A-B Bonds is being converted to a Mode that is not covered by the applicable Credit Facility, the Trustee shall not surrender the applicable Credit Facility then in effect to the applicable Credit Provider until all draws on such Credit Facility have been honored.

Section 803. No Transfer.

While the Series 2014A-B Bonds bear interest at a Flexible Rate, Daily Rate, Weekly Rate, or Term Rate (other than a Term Mode having an Interest Period fixed to the maturity thereof), the Trustee shall not sell, assign or otherwise transfer any Credit Facility, except to a successor Trustee hereunder and in accordance with the terms of such Credit Facility then in effect and this Eighth Supplemental Indenture.

Section 804. Increased Costs.

Any “**increased costs**” payable by the District pursuant to the applicable Credit Facility Agreements shall be subordinated to the payment of principal and interest on the Series 2014A-B Bonds, the Reimbursement Obligations and replenishment of any debt service fund, and the Credit Facility Agreements shall expressly so provide. The Credit Facility Agreements shall limit “**increased costs**” to increases to costs to the applicable Credit Provider or any participant of its obligations under the related Credit Facility as the result of the imposition, increase or applicability of any reserve, special deposit, capital adequacy or similar requirement against the obligations of the applicable Credit Provider or any participant under the related Credit Facility (other than as a result of the acts, omissions or financial condition of the Credit Provider or such participant) due to any change in any law or regulation or in the interpretation thereof by any court or administrative or governmental authority charged with the administration thereof.

ARTICLE IX

AGENTS

Section 901. Remarketing Agent.

No Remarketing Agent is required for the Series 2014A-B Bonds bearing interest at a Term Rate fixed to the maturity thereof, or an Index Rate or at an Auction Rate; *provided, however*, that with respect to 2014A Bonds in an Index Rate Mode, a remarketing agent shall be appointed as and when set forth in Section 709(a) hereof. At all times during which the Series 2014A-B Bonds bear interest at a Flexible Rate, Daily Rate, Weekly Rate, or Term Rate (other than a Term Rate having an Interest Period extending to the maturity thereof), the District shall maintain a Remarketing Agent for the Series 2014A-B Bonds.

The applicable Remarketing Agent shall keep such books and records as shall be consistent with prudent industry practice and make such books and records available for inspection by the District, the Trustee and any Credit Provider at all reasonable times.

The applicable Remarketing Agent may resign and be discharged of the duties and obligations created by the applicable Remarketing Agreement in accordance with the provisions of the applicable Remarketing Agreement. The applicable Remarketing Agent may be removed at any time, at the direction of the District, by an instrument filed with the Trustee, the applicable Remarketing Agent, the applicable Credit Provider and the Tender Agent and upon not less than thirty (30) days’ notice to the applicable Remarketing Agent. Any successor Remarketing Agent shall be selected by the District and shall be a member of the Financial Industry Regulatory

Authority and the National Association of Securities Dealers, Inc., shall have a capitalization of at least fifty million dollars (\$50,000,000), and shall be authorized by law to perform all the duties set forth in this Eighth Supplemental Indenture. The District's delivery to the Trustee and the Tender Agent of a certificate of an Authorized Delegate setting forth the effective date of the appointment of a successor Remarketing Agent and the name, address and telephone number of such successor shall be conclusive evidence that (i) if applicable, the predecessor Remarketing Agent has been removed in accordance with the provisions of this Eighth Supplemental Indenture and (ii) such successor has been appointed and is qualified to act as Remarketing Agent under the terms of this Eighth Supplemental Indenture.

Section 902. Tender Agent; Paying Agent.

No Tender Agent is required for the Series 2014A-B Bonds bearing interest at a Term Rate fixed to the maturity thereof, an Index Rate or at an Auction Rate. At all times during which the Series 2014A-B Bonds bear interest at a Flexible Rate, Daily Rate, Weekly Rate, or Term Rate (other than a Term Rate having an Interest Period extending to the maturity thereof), the District shall maintain a Tender Agent for the Series 2014A-B Bonds. The Trustee is appointed the initial Tender Agent for the Series 2014A-B Bonds. In addition, the Trustee, is hereby appointed the Paying Agent within the meaning of this Eighth Supplemental Indenture, to perform the duties set forth in this Eighth Supplemental Indenture. The Tender Agent and the Paying Agent shall be a commercial bank with trust powers, a national banking association with trust powers or a trust company. Notwithstanding any provision of Section 8.02 of the Master Trust Indenture to the contrary, the Paying Agent shall perform its duties to make requests for funds under a Credit Facility in accordance with this Eighth Supplemental Indenture and any Credit Facility then in effect. The Paying Agent shall not require indemnification for making a purchase request pursuant to the Credit Facility. For so long as there is a Credit Facility securing the Series 2014A-B Bonds, the Tender Agent, Paying Agent and the Trustee shall be the same institution.

The Paying Agent may at any time resign and be discharged of the duties and obligations set forth herein by giving at least sixty (60) days notice to the District, each Remarketing Agent, each Credit Provider and the Trustee. The Paying Agent may be removed at any time, at the direction of the District, by an instrument filed with the Paying Agent, each Credit Provider and the Trustee. Any successor Paying Agent shall be a commercial bank with trust powers, a national banking association with trust powers or a trust company. In the event of the resignation or removal of the Paying Agent, the Paying Agent shall deliver any moneys held by it in such capacity to its successor. No resignation or removal of the Paying Agent shall be effective unless the rights and obligations (including the obligation to request funds pursuant to any Credit Facility) of the Paying Agent have been transferred to its successor or the Trustee and such successor or the Trustee has accepted the duties of the Paying Agent hereunder in writing.

The Tender Agent shall hold all Series 2014A-B Bonds delivered to it hereunder in trust solely for the benefit of the respective Holders which shall have not tendered such Series 2014A-B Bonds until moneys representing the Purchase Price of such Series 2014A-B Bonds shall have been delivered to, or for the account of, or to the order of such Holders; and hold all moneys delivered to it hereunder for the purchase of the Series 2014A-B Bonds in trust solely for the

benefit of the person which shall have so delivered such moneys until the Series 2014A-B Bonds purchased with such moneys shall have been delivered to or for the account of such person.

The Tender Agent may at any time resign and be discharged of the duties and obligations set forth herein by giving at least sixty (60) days notice to the District, each Remarketing Agent, each Credit Provider and the Trustee. The Tender Agent may be removed at any time, at the direction of the District, by an instrument filed with the Tender Agent, each Credit Provider and the Trustee. Any successor Tender Agent shall be a commercial bank with trust powers, a national banking association with trust powers or a trust company, and shall be appointed by the District. In the event of the resignation or removal of the Tender Agent, the Tender Agent shall deliver any Series 2014A-B Bonds and moneys held by it in such capacity to its successor. No resignation or removal of the Tender Agent shall be effective unless the rights and obligations of the Tender Agent have been transferred to its successor or the Trustee and such successor or the Trustee has accepted the duties of the Tender Agent hereunder in writing.

Section 903. Several Capacities.

Anything in this Eighth Supplemental Indenture to the contrary notwithstanding, the same entity may serve hereunder as the Trustee, the Tender Agent, the Paying Agent and the applicable Remarketing Agent, and in any other combination of such capacities, to the extent permitted by law; *provided, however*, that if the Paying Agent and the Trustee are not the same entity, the Paying Agent shall provide the Trustee with all notices the Paying Agent receives under any Credit Facility.

Section 904. Provisions Relating to Trustee, the Paying Agent and Tender Agent.

Neither the Trustee, the Paying Agent nor the Tender Agent shall have a lien or claim for payment of its compensation, expenses, disbursements, losses or liabilities upon the proceeds of the remarketing of the Series 2014A-B Bonds or amounts received pursuant to any Credit Facility then in effect.

Section 905. References to Credit Facility, Credit Provider, Remarketing Agent, Auction Agent, and Broker-Dealer Ineffective.

References herein to a Credit Facility or a Credit Provider in respect of the Series 2014A-B Bonds shall be ineffective during any period for which there is no Credit Facility or Credit Provider in respect of any Series 2014A-B Bonds and all obligations of the District payable to any Credit Provider under the related Reimbursement Agreement have been satisfied in full. References herein to a Remarketing Agent in respect of the Series 2014A-B Bonds shall be ineffective during any period for which there is no Remarketing Agent in respect of any Series 2014A-B Bonds. References herein to an Auction Agent or Broker-Dealer in respect of the Series 2014A-B Bonds shall be ineffective during any period for which there is no Auction Agent or Broker-Dealer in respect of any Series 2014A-B Bonds.

Section 906. Market Agent; Calculation Agent.

Provisions relating to a Market Agent and/or Calculation Agent shall be as set forth in Article X.

ARTICLE X

PROVISIONS RELATING TO INDEX RATE MODE

Section 1001. Direct Purchase of Series 2014A-B Bonds.

In addition to the Flexible Rate, Daily Rate, Weekly Rate, Term Rate and Auction Rate, the Series 2014A-B Bonds also may bear interest at an Index Rate during which time interest on the Series 2014A-B Bonds will be calculated based on the LIBOR Index Rate or the SIFMA Index Rate, as applicable.

On the Initial Index Rate Closing Date, the Series 2014A-B Bonds shall be issued in the Index Rate Mode pursuant to Section 1002 hereof. The applicable Index Rate shall be determined in accordance with Section 1002 hereof. The Calculation Agent shall notify the Trustee and the District of the Index Rate for each Index Rate Mode. All Index Rate Bonds of a Series shall bear interest at the same Index Rate. The Interest Rate determination method may be changed from time to time with respect to the Series 2014A-B Bonds, in the manner provided in Section 1002 below. The methods of determining the various interest rates are as provided in Section 1002(b) and (c) below.

Principal payments due and payable during any applicable Term Loan Period pursuant to the applicable Continuing Covenants Agreement shall constitute redemptions hereunder which are subject to the provisions of Article III hereof.

Section 1002. Index Rate Mode.

(a) Initial Index Rate Period. During the Initial Index Rate Period, the Series 2014A Bonds shall bear interest at the SIFMA Index Rate. During the Initial Index Rate Period, the Series 2014B Bonds shall bear interest at the LIBOR Index Rate.

(b) Determination Time.

(i) LIBOR Index Rate. During each LIBOR Index Rate Mode, the applicable Series 2014A-B Bonds shall, subject to subsection (c) of this Section 1002, bear interest at the LIBOR Index Rate. The Calculation Agent shall determine the LIBOR Index Rate on each Computation Date, and such rate shall become effective on the Reset Date next succeeding the Computation Date and interest at such rate shall accrue each day during such LIBOR Index Rate Mode, commencing on and including such Reset Date to but excluding the next succeeding Reset Date. The LIBOR Index Rate shall be rounded upward to the fourth decimal place. Promptly following the determination of the LIBOR Index Rate, the Calculation Agent shall give notice thereof to the Trustee, the District and the Purchaser. If the LIBOR Index Rate is not determined by the Calculation Agent on the Computation Date, the rate of interest born on such LIBOR Index Rate Bonds shall be the rate in effect for the immediately preceding Interest Payment Period until the Calculation Agent next determines the LIBOR Index Rate as required hereunder. The LIBOR Index Rate for the Series 2014B Bonds for the period commencing on the Initial

Index Rate Closing Date, to but excluding July 1, 2014, shall be [REDACTED] per annum and such interest shall be payable on August 1, 2014.

(ii) *SIFMA Index Rate.* During each SIFMA Index Rate Mode, the applicable Series 2014A-B Bonds shall, subject to subsection (c) of this Section 1002, bear interest at the SIFMA Index Rate. The Calculation Agent shall determine the SIFMA Index Rate on each Computation Date for the SIFMA Index Rate Mode, and such rate shall become effective on the Reset Date next succeeding such Computation Date and interest at such rate shall accrue each day during such SIFMA Index Rate Mode, commencing on and including the Reset Date to but excluding the next succeeding Reset Date. The SIFMA Index Rate shall be rounded upward to the second decimal place. Promptly following the determination of the SIFMA Index Rate, the Calculation Agent shall give notice thereof to the Trustee, the District and the Purchaser. If the SIFMA Index Rate is not determined by the Calculation Agent on the Computation Date, the rate of interest born on such SIFMA Index Rate Bonds shall be the rate in effect for the immediately preceding Interest Payment Period until the Calculation Agent next determines the SIFMA Index Rate as required hereunder. The SIFMA Index Rate for the Series 2014A Bonds for the period commencing on the Initial Index Rate Closing Date, to but excluding July 3, 2014, shall be [REDACTED] per annum and such interest shall be payable on August 1, 2014.

(c) *Adjustments to Index Rates.* Index Rates as adjusted as set forth below shall be payable as set forth in the Continuing Covenants Agreement.

(i) *Taxable Rate.* Notwithstanding anything in this Indenture to the contrary, from and after any Taxable Date, the interest rate on Series 2014A-B Bonds in an Index Rate Mode shall be established at a rate at all times equal to the Taxable Rate and the Purchaser also shall be entitled to receive the Taxable Payments.

(ii) *Default Rate.* Notwithstanding the foregoing provisions of this Section 1002, upon the occurrence and during the continuation of a CCA Event of Default, the interest rate for the applicable Series 2014A-B Bonds in an Index Rate Mode shall be established at a rate at all times equal to the Default Rate.

(iii) *Purchaser Rate.* Notwithstanding anything in this Indenture to the contrary, if during an Index Rate Mode the applicable Series 2014A-B Bonds are not paid in full when tendered for purchase, then, if certain conditions precedent set forth in the applicable Continuing Covenants Agreement have been satisfied, the interest rate for the applicable Series 2014A-B Bonds shall be established at a rate equal to the Purchaser Rate during the applicable Term Loan Period.

(iv) *Subsequent Index Rate Mode.* At any time after the Initial Index Rate Period, if the Series 2014A-B Bonds are to bear interest at an Index Rate, the District shall provide notice as set forth in Section 211(b) hereof, which notice shall also state whether such Index Rate shall be a SIFMA Index Rate or a LIBOR Index Rate, the new Mandatory Index Rate Repurchase Date and the new Applicable Factor (if such rate shall be a LIBOR Index Rate) and the new Applicable Spread. The new Applicable Spread shall be determined by the Market Agent such that the applicable Index Rate shall be the

interest rate per annum (based upon tax exempt obligations comparable, in the judgment of the Market Agent, to the Series 2014A-B Bonds and known to the Market Agent to have been priced or traded under then prevailing market conditions) to be the minimum interest rate at which a Person will agree to purchase the applicable Series 2014A-B Bonds on the Mode Change Date at a price (without regard to accrued interest) equal to the principal amount thereof. In addition, if an Index Rate is to be in effect immediately following such Mode Change Date, the Borrower shall provide a copy of such notice to the Calculation Agent contemporaneously with the Trustee. During each Index Rate Mode commencing on a date so specified and ending on the day immediately preceding the effective date of the next succeeding Interest Rate Period, the interest rate borne by the applicable Series 2014A-B Bonds shall be an Index Rate. The execution and delivery of this Eighth Supplemental Indenture shall satisfy all requirements of this paragraph for purposes of the Initial Index Rate Period, and no additional notices or directions shall be required.

(v) *Appointment of Market Agent, Calculation Agent.* Prior to the commencement of any Index Rate Period, except for the initial Index Rate Period, the District shall appoint (a) a Market Agent or other entity to provide written notice to the Trustee of the Applicable Spread determined for the applicable Series 2014A-B Bonds for such Index Rate Period by 10:00 a.m. on the proposed effective date of such Index Rate Period, and (b) a Calculation Agent to provide written notice of the applicable Index Rate on or prior to each Computation Date during such Index Rate Period at such times as shall be reasonably required by the Trustee.

(vi) *Transfer of Index Rate Bonds.* Index Rate Bonds may only be transferred and without limitation (a) to any Affiliate of the Purchaser or to a trust or other custodial arrangement established by the Purchaser, each of the beneficial owners of which is a “**qualified institutional buyer**” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended, or (b) to one or more “**qualified institutional buyers**” each of which is a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any such case, having a combined capital and surplus, determined as of the date of any transfer pursuant to this Section, of not less than five billion dollars (\$5,000,000,000) and which has executed and delivered an “**investor letter**” in the form attached as Exhibit A to the Continuing Covenants Agreement. In the case of any such transfer, the Purchaser shall give the District and the Trustee written notice of the name and address of such transferee.

(vii) *Fully Registered Index Rate Bonds.* On the Initial Index Rate Closing Date, each Series of the Series 2014A-B Bonds shall be issued in the form of a separate single fully registered Bond, which may be typewritten, in the form of Exhibit B hereto, respectively, and shall be registered in the registration books kept by the Trustee. The Trustee shall authenticate and deliver the Series 2014A-B Bonds in accordance with Section 213 hereof.

Section 1003. Calculation Agent.

(a) During the Initial Index Rate Period, the Calculation Agent shall be the Purchaser, and thereafter shall be such other person as the District may appoint meeting the requirements of this Section. Any Calculation Agent which is not also the Purchaser or the Trustee shall designate its principal office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the District and the Trustee in which the Calculation Agent will agree to perform all calculations and provide all notices required of the Calculation Agent under this Indenture.

(b) The Calculation Agent shall be a corporation duly organized under the laws of the United States of America or any state or territory thereof and shall be authorized by law to perform all the duties imposed upon it by this Eighth Supplemental Indenture and may be the Trustee or the Purchaser or any other Person, but may not be the District, or an affiliate of the District. The Calculation Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least sixty (60) days' notice to the District, the Trustee and the Purchaser. Upon receipt of such notice, during any Mode in which the services of a Calculation Agent are required under this Eighth Supplemental Indenture, the District will diligently seek to appoint a successor Calculation Agent to assume the duties of the Calculation Agent on the effective date of the prior Calculation Agent's resignation. In the event that the District shall fail to appoint a successor Calculation Agent in a timely manner when required under this Eighth Supplemental Indenture, the Trustee shall either (i) appoint a Calculation Agent to act as such, or (ii) petition any court of competent jurisdiction for the appointment of a successor Calculation Agent, and such court may thereupon, after such notice, if any, as it may deem proper, appoint such successor Calculation Agent; *provided, however*, that during the pendency of any such petition the Trustee shall itself act as Calculation Agent and shall be entitled to additional compensation for acting as Calculation Agent and service, in any such case, shall commence on the effective date of the resignation of the prior Calculation Agent and to remain in effect until a successor Calculation Agent assumes such position in accordance with the provisions hereof. The Calculation Agent may be removed at any time by written notice from the District to the Trustee and the Purchaser, *provided* that such removal shall not be effective until a successor Calculation Agent assumes such position in accordance with the provisions hereof.

(c) The Trustee shall, within thirty (30) days of the resignation or removal of the Calculation Agent or the appointment of a successor Calculation Agent, give notice thereof by Electronic Notice, confirmed by registered mail, to the registered owners of the applicable Series 2014A-B Bonds.

(d) Promptly after determining any interest rate required to be determined by the Calculation Agent under this Indenture, the Calculation Agent shall provide Electronic Notice to the Trustee, the Purchaser, the Fiscal Agent and any requesting Holder.

ARTICLE XI

MISCELLANEOUS

Section 1101. Successors of the District.

In the event of the dissolution of the District, all the covenants, stipulations, promises and agreements contained in this Eighth Supplemental Indenture, by or on behalf of, or for the benefit of, the District, shall bind or inure to the benefit of the successors of the District from time to time and any entity, officer, board, commission, agency or instrumentality to whom or to which any power or duty of the District shall be transferred.

Section 1102. District Protected in Acting in Good Faith.

In the exercise of the powers of the District and for any action taken or omitted by it or its elected and appointed officials, officers, employees and agents under this Eighth Supplemental Indenture, the District shall not be accountable to the Trustee, the Bond Registrar, the Paying Agent, the applicable Remarketing Agent or any Holder of the Series 2014A-B Bonds for any action taken or omitted by it or its members, elected and appointed officers, employees and agents in good faith and reasonably believed by it or them to be authorized or within the discretion or rights or powers conferred. The District and such elected and appointed officers, employees and agents shall be protected in its or their acting upon any paper or document reasonably believed in good faith by it or them to be genuine, and it or they may conclusively rely upon the advice of counsel as to matters of law and may (but need not) require further evidence of any fact or matter before taking any action. No recourse shall be had by the Trustee, the Bond Registrar, the applicable Credit Provider, the Paying Agent, the applicable Remarketing Agent or any Holder of the Series 2014A-B Bonds for any claims based on this Eighth Supplemental Indenture against any member, elected or appointed official, officer, employee or agent of the District alleging personal liability on the part of such person.

Section 1103. Credit Provider as Third-Party Beneficiary; No Benefits to Outside Parties.

Nothing in this Eighth Supplemental Indenture, express or implied, is intended or shall be construed to confer upon or to give to any person or corporation, other than the District, the Trustee, the applicable Credit Provider and the Holders, including any Purchaser holding the Series 2014A-B Bonds pursuant to a Continuing Covenants Agreement, of the Series 2014A-B Bonds issued hereunder, any right, remedy or claim under or by reason of this Eighth Supplemental Indenture or covenant, condition or stipulation thereof; and the covenants, stipulations and agreements contained in this Eighth Supplemental Indenture are and shall be for sole and exclusive benefit of the District, the Trustee and each Credit Provider (each of which shall be an express third-party beneficiary hereof), their successors and assigns, and the Holders of the Series 2014A-B Bonds.

Section 1104. Separability of Eighth Supplemental Indenture Provisions.

In case any one or more of the provisions contained in this Eighth Supplemental Indenture or in the Series 2014A-B Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Eighth Supplemental Indenture, but this Eighth Supplemental Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 1105. Execution of Eighth Supplemental Indenture in Counterparts.

This Eighth Supplemental Indenture may be simultaneously executed in several counterparts, each of which, when so executed, shall be deemed to be an original, and such counterparts shall together constitute one and the same instrument.

Section 1106. Headings Not Controlling.

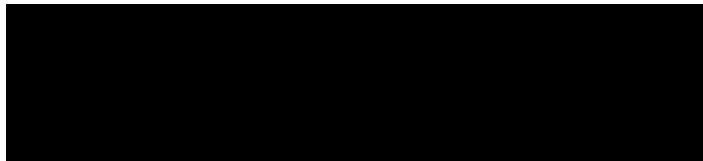
The headings of the several Articles and Sections hereof are inserted for the convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 1107. Notices etc., to the Trustee, the District and Others.

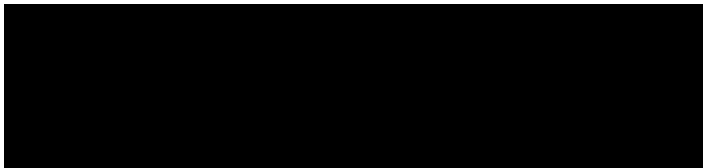
Any request, demand, authorization, direction, notice, consent of the Holders of the Series 2014A-B Bonds or other document provided or permitted by this Eighth Supplemental Indenture shall be sufficient for any purpose under this Eighth Supplemental Indenture, when given by facsimile transmission or first class mail, postage prepaid (except as otherwise provided in this Eighth Supplemental Indenture) (with a copy to the other parties) at the following addresses (or such other address as may be provided by any party by notice) and shall be deemed to be effective upon receipt:

To the District:

District of Columbia

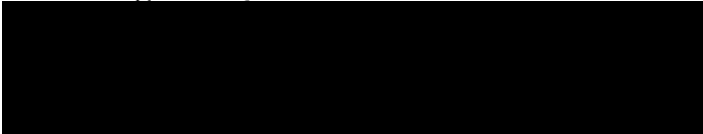


District of Columbia

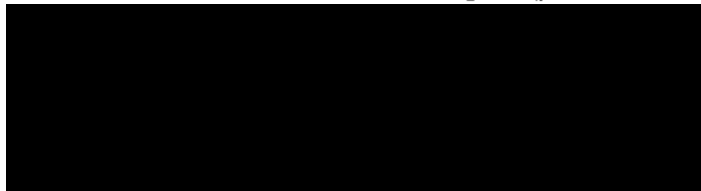


To the Trustee:

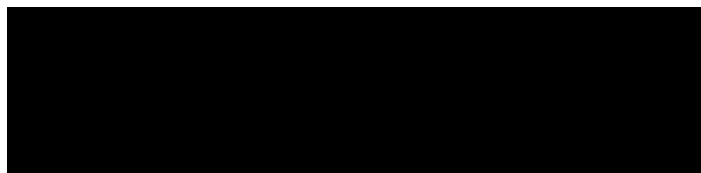
Wells Fargo Bank, N.A.



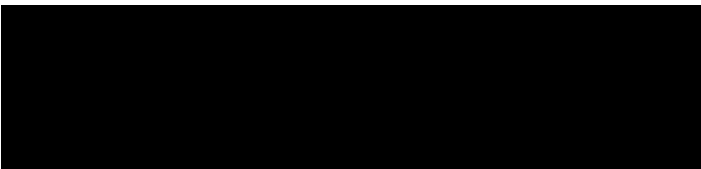
To the Purchaser: Banc of America Preferred Funding Corporation



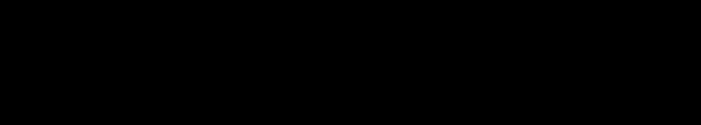
To Moody's:



To Standard & Poor's:



To Fitch Ratings, Inc.:



A duplicate copy of each notice, certificate, request or other communication given hereunder to the District, the applicable Credit Provider and the Trustee also shall be given to the others. Within ten (10) Business Days after the giving or receipt of such notice, certificate, request or other communication, as the case may be, the Trustee will provide a duplicate copy thereof to the applicable Remarketing Agent. Any of such parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent. Copies of any amendments or supplements to the Master Trust Indenture shall be mailed to any Rating Agency maintaining a rating on the Series 2014A-B Bonds.

Section 1108. Additional Notices to Rating Agencies.

The District shall give or cause to be given to each Rating Agency then rating the Series 2014A-B Bonds notice of (i) any change in the identity of the applicable Credit Provider, the applicable Remarketing Agent, the Paying Agent or the Trustee, including the notice address for the successor, (ii) any amendment to any Credit Facility, any Alternate Credit Facility, any agreement pursuant to which a Credit Facility or a Alternate Credit Facility shall be issued, any Remarketing Agreement or this Eighth Supplemental Indenture, (iii) any extension of the termination or expiration date of any Credit Facility, or any Alternate Credit Facility, (iv) the termination of any Credit Facility, whether or not prior to its stated termination date, (v) any optional redemption, mandatory redemption or defeasance of Series 2014A-B Bonds, (vi) the occurrence of any Event of Default under the Master Trust Indenture, (vii) the occurrence of a Mandatory Tender Date, (viii) the conversion of the Series 2014A-B Bonds to bear interest in a Flexible Mode, or a Weekly Mode, Daily Mode, Term Rate Mode, Auction Mode or Index Rate Mode, and (ix) issuance of additional series of Bonds pursuant to the Master Trust Indenture. In

addition, the District shall provide to each Rating Agency such information about the Series 2014A-B Bonds or the District as may be reasonably requested by such Rating Agency in order for it to maintain a rating on the Series 2014A-B Bonds. No Credit Facility shall be replaced or substituted for or by an Alternate Credit Facility issued by any Person, unless, in each case, prior notice thereof at least twenty (20) days prior to such substitution or replacement shall have been given by the District to the Depository and the Trustee, each other Holder of the Series 2014A-B Bonds and each Rating Agency then rating the Series 2014A-B Bonds. Notwithstanding the foregoing, the Series 2014A-B Bonds in an Index Rate Mode shall not be rated.

Section 1109. Notices to the applicable Remarketing Agent and the applicable Credit Provider.

In addition to the obligation to provide copies of notices, certificates, requests or other communications under Section 8.07 of the Master Trust Indenture, the Trustee agrees that it will notify the applicable Remarketing Agent, the Purchaser pursuant to any Continuing Covenants Agreement and the applicable Credit Provider of the occurrence of each Default hereunder within five Business Days after a Responsible Officer obtains actual knowledge thereof. Such notice shall specify the event or omission constituting the Default, whether and when, if not remedied, the Default shall constitute an Event of Default, and any remedial action that the Trustee may have theretofore taken.

Section 1110. Concerning the Trustee.

The Trustee makes no representations as to the due authorization and execution by the District of this Eighth Supplemental Indenture or of the Series 2014A-B Bonds. The Trustee shall not be accountable for the use or application by the District of the proceeds of Series 2014A-B Bonds or any interest thereon.

All of the duties imposed on the Trustee and all of the rights, privileges, protections and immunities afforded the Trustee under the Master Trust Indenture, including, without limitation, the Trustee's right to indemnification pursuant to Section 8.02 of the Master Trust Indenture, are hereby incorporated herein as if set forth in full.

Section 1111. Satisfaction and Discharge.

If any Series 2014A-B Bonds are defeased while in the Daily Mode or the Weekly Mode the District shall, except following an Immediate Termination Event, maintain in effect a Credit Facility meeting the Liquidity Requirement and (i) the Holders thereof shall continue to have the right to tender such Series 2014A-B Bonds for purchase pursuant to Section 701 of this Eighth Supplemental Indenture, (ii) any Series 2014A-B Bonds so purchased shall be cancelled upon payment to the purchaser thereof (including a Credit Provider) of all principal and interest in respect of such Series 2014A-B Bonds and shall not be reissued or remarketed and (iii) the amount required for defeasance shall be determined by calculating interest at the Maximum Rate. Prior to defeasing any Series 2014A-B Bonds, the District shall obtain Rating Confirmations from each of the Rating Agencies then providing a rating on the Parity Bonds.

Section 1112. Rights of the Credit Provider.

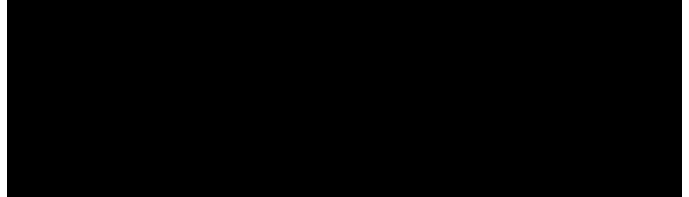
Anything contained in this Eighth Supplemental Indenture or in the Series 2014A-B Bonds to the contrary notwithstanding, the existence of all rights given to the Credit Provider of a Direct-Pay Letter of Credit hereunder with respect to the giving of consents or approvals or the direction of proceedings are expressly conditioned upon its timely and full performance of the applicable Direct-Pay Letter of Credit. Any such rights shall not apply with respect to a Credit Provider if at any time there are no Series 2014A-B Bonds outstanding and such Credit Provider has been paid in full, or such Credit Provider has wrongly failed to honor a properly presented and conforming drawing made under, and in compliance with, the applicable Direct-Pay Letter of Credit or has been declared insolvent or bankrupt by a court of competent jurisdiction, an order or decree shall have been entered by a court of competent jurisdiction appointing a receiver, receivers, custodian or custodians for any of its assets or revenues and such order or decree shall not have been dismissed or stayed for a period of thirty (30) or more days, or any proceeding shall be instituted with the consent or acquiescence of such Credit Provider or any plan shall be entered into by such Credit Provider for the purpose of effecting a composition between such Credit Provider and its creditors or for the purpose of adjusting the claims of such creditors, such Credit Provider makes any assignment for the benefit of its creditors or such Credit Provider is generally not paying its debts as such debts become due or such Credit Provider files a petition in bankruptcy or under Title 11 of the United States Code, as amended, or the Direct-Pay Letter of Credit issued by such Credit Provider has been determined to be void or unenforceable by final judgment of a court of competent jurisdiction; *provided* that this Section 1112 shall not in any way limit or affect the rights of any Credit Provider as a Bondholder, as subrogee of a Bondholder or as assignee of a Bondholder or to otherwise be reimbursed and indemnified for its costs and expenses and other payment on or in connection with the Series 2014A-B Bonds or the applicable Direct-Pay Letter of Credit, either by operation of law or at equity or by contract; and, *provided, further*, that such rights shall be restored if any of the foregoing events have been cured or court decisions have been reversed. The rights of a Credit Provider will be effective until the applicable Direct-Pay Letter of Credit is terminated or has been suspended in accordance with this Section and such Credit Provider has been paid in full.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the District and the Trustee have caused this Eighth Supplemental Indenture to be executed and delivered in their respective corporate names by their duly authorized officers, all as of the date first above written.

DISTRICT OF COLUMBIA

By:

A large black rectangular redaction box covering the signature of the District of Columbia.

WELLS FARGO BANK, N.A., as Trustee

By:

A black rectangular redaction box covering the signature of Wells Fargo Bank, N.A.

IN WITNESS WHEREOF, the District and the Trustee have caused this Eighth Supplemental Indenture to be executed and delivered in their respective corporate names by their duly authorized officers, all as of the date first above written.

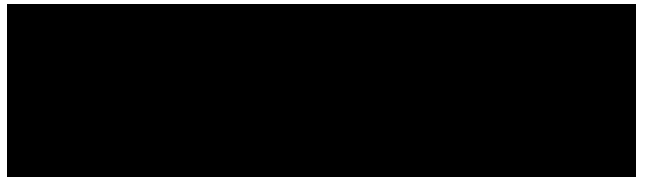
DISTRICT OF COLUMBIA

By: _____

A solid black rectangular box redacting the signature of the District of Columbia.

WELLS FARGO BANK, N.A., as Trustee

By: _____

A solid black rectangular box redacting the signature of Wells Fargo Bank, N.A.

**EXHIBIT A TO
EIGHTH SUPPLEMENTAL INDENTURE
FORMS OF THE SERIES 2014A-B BONDS IN DAILY/WEEKLY RATE MODE**

REGISTERED
No. R[A][B]-__

REGISTERED
\$[]

**DISTRICT OF COLUMBIA
(Washington, D.C.)**

**MULTIMODAL GENERAL OBLIGATION BONDS
SERIES 2014__**

MATURITY DATE _____	INITIAL INTEREST RATE []%	DATED DATE []	CUSIP NUMBER 25476[]
LAST DATE OF INITIAL PERIOD:		[]	
RATE PERIOD:		WEEKLY MODE	
REGISTERED OWNER:		CEDE & CO.	
PRINCIPAL AMOUNT:		[]	

The DISTRICT OF COLUMBIA (the “**District**”), for value received, hereby promises to pay from the source hereinafter provided to the Registered Owner specified above, or registered assigns, the Principal Amount specified above on the Maturity Date specified above, upon presentation and surrender hereof, and to pay to the Registered Owner hereof interest thereon from the source hereinafter provided from the Date of Original Issue specified above or the most recent interest payment date to which interest has been paid or duly provided for, set forth below, at the interest rate computed as provided in the Indenture (as hereinafter defined) and described herein, all subject to the provisions hereinafter described providing for the redemption of this Series 2014__ Bond before the Maturity Date.

Interest on this Series 2014__ Bond shall be paid by check of the Trustee mailed on the Interest Payment Date and made payable to the registered owner at the address of such owner as it appears on the Bond Register as of the close of business of the Bond Registrar on the Record Date or at such other address furnished in writing by such registered owner to the Trustee or to any owner of one million dollars (\$1,000,000) or more in aggregate principal amount of such Bond as of the close of business of the Trustee on the Record Date for a particular Interest Payment Date, by wire transfer sent on the Interest Payment Date, to such owner.

The principal of this Series 2014__ Bond is payable at the designated corporate trust office of the Trustee.

Unless this Series 2014__ Bond is presented by an authorized representative of DTC to the District or its agent, Wells Fargo Bank, N.A. (the “**Registrar**”), for registration of transfer, exchange, or payment, and any Bond is registered in the name of Cede & Co., or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized

representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

The Series 2014__Bonds are issued in the aggregate principal amount of \$[____], pursuant to the provisions of, and in full compliance with, the laws of the District, in particular, the District of Columbia Home Rule Act (P.L. 93-198; 87 Stat. 774; D.C. Official Code, §§ 1-201.01 et seq.), as amended (the “**Home Rule Act**”) and the General Obligation Bonds and Bond Anticipation Notes for Fiscal Years 2013-2018 Authorization Act of 2012, D.C. Law 19-231, effective March 19, 2013 (the “**Bond Act**”).

This Series 2014__Bond is one of a duly authorized issue of Multimodal General Obligation Bonds, Series 2014__(the “**Series 2014__ Bonds**” or the “**Bonds**”) of an aggregate principal amount of [____] DOLLARS (\$[____]), in Authorized Denominations, and of like tenor and effect except as to serial number, all of which have been authorized by law to be issued and have been issued to pay or redeem a portion of the District’s outstanding general obligation bonds. The Series 2014__Bonds are equally and ratably secured by the Master Trust Indenture dated as of December 1, 2004, as previously amended and supplemented (the “**Trust Indenture**”), and as further supplemented by the Eighth Supplemental Trust Indenture dated as of June 1, 2014 (the “**Eighth Supplemental Indenture**” and together with the Trust Indenture, the “**Indenture**”), each duly executed and delivered by the District to Wells Fargo Bank, N.A. (the “**Trustee**”), and the Bond Act. Capitalized terms used herein and not defined herein shall have the meanings set forth in the Indenture.

Reference is hereby made to the Indenture (a copy of which is on file at said designated corporate trust office of the Trustee) and to the Bond Act for a description of the rights thereunder of the registered owners of the Series 2014__Bonds, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and of the rights and obligations of the District thereunder, to all the provisions of which Indenture the registered owner of this Series 2014__Bond, by acceptance hereof, assents and agrees.

THE SERIES 2014__ BONDS (INCLUDING BANK BONDS) AND ANY REIMBURSEMENT OBLIGATIONS ARE GENERAL OBLIGATIONS OF THE DISTRICT AND THE FULL FAITH AND CREDIT OF THE DISTRICT IS PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2014__ BONDS (INCLUDING BANK BONDS) AND ANY REIMBURSEMENT OBLIGATIONS WHEN DUE. THE SERIES 2014__ BONDS (INCLUDING BANK BONDS) AND ANY REIMBURSEMENT OBLIGATIONS ARE PAYABLE FROM ALL FUNDS OF THE DISTRICT NOT OTHERWISE LEGALLY COMMITTED AND CONSTITUTE CONTINUING OBLIGATIONS UNTIL PAID IN ACCORDANCE WITH THEIR TERMS. THE SERIES 2014__ BONDS (INCLUDING ANY BANK BONDS) AND ANY REIMBURSEMENT OBLIGATIONS ARE SECURED BY A PERFECTED SECURITY INTEREST IN AND FIRST PRIORITY LIEN ON THE FUNDS DERIVED FROM A SPECIAL REAL PROPERTY TAX LEVIED BY THE DISTRICT AND REQUIRED TO BE COLLECTED ANNUALLY PURSUANT TO SECTION 481 OF THE HOME RULE ACT, WITHOUT LIMITATION AS TO RATE OR AMOUNT, IN AMOUNTS SUFFICIENT, TOGETHER WITH OTHER REVENUES AVAILABLE, TO PAY THE PRINCIPAL OF AND

INTEREST ON THE SERIES 2014__ BONDS (INCLUDING BANK BONDS) AND REIMBURSEMENT OBLIGATIONS AND THE PARITY BONDS WHEN DUE. THE FUNDS DERIVED FROM THE SPECIAL REAL PROPERTY TAX ARE SUBJECT TO THE SECURITY INTEREST AND LIEN UPON RECEIPT BY THE DISTRICT. WHEN COLLECTED, SUCH SPECIAL TAX RECEIPTS ARE REQUIRED TO BE SET ASIDE IN A SEPARATE SPECIAL TAX FUND AND DEDICATED TO SUCH PAYMENT OF PRINCIPAL AND INTEREST. THE LIEN OF THE HOLDERS OF THE SERIES 2014__ BONDS AND ANY PARITY BONDS AND OF THE CREDIT PROVIDER WITH RESPECT TO ANY REIMBURSEMENT OBLIGATIONS ON SUCH SPECIAL TAX RECEIPTS IS FIRST AND PRIOR AS AGAINST ANY OTHER CLAIMS AGAINST THE DISTRICT.

No covenant, stipulation, obligation or agreement of the District in the Indenture or the Series 2014__ Bonds shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future elected or appointed official, officer, employee or agent of the District in his or her individual capacity, and neither the members of the Council of the District of Columbia nor any official executing the Series 2014__ Bonds shall be liable personally on the Series 2014__ Bonds or be subject to any personal liability or accountability by reason of the issuance of the Series 2014__ Bonds or by reason of the covenants, stipulations, obligations or agreements of the District contained in the Indenture or the Series 2014__ Bonds.

The Series 2014__ Bonds shall bear interest at an initial interest rate of [__]% from the date of issuance, to and including [____], which constitutes the Initial Period for the Series 2014A Bonds. Thereafter, all of the Series 2014__ Bonds shall bear interest at the Weekly Rate for each Weekly Rate Period.

During each Interest Period for each Mode, the interest rate or rates for the Series 2014__ Bonds shall be determined in accordance with the Indenture and shall be payable on the Interest Payment Date for such Interest Period. The interest payable on an Interest Payment Date shall be calculated from and including the prior Interest Payment Date (or the dated date of the Series 2014__ Bonds) to and including the day before the Interest Payment Date.

“Interest Payment Date” shall mean the following dates upon which interest is payable on the Series 2014__ Bonds: (i) other than Series 2014__ Bonds bearing interest at an Auction Rate, any Principal Payment Date or Mode Change Date; (ii) with respect to Series 2014__ Bonds bearing interest at a Flexible Rate, the Business Day following the last day of the Interest Period therefor; (iii) with respect to Series 2014__ Bonds bearing interest at a Daily Rate or Weekly Rate, the first Business Day of each calendar month; (iv) with respect to Series 2014__ Bonds bearing interest at a Term Rate, each June 1 and December 1 and each other date specified by the District pursuant to Section 211(b) of the Eighth Supplemental Indenture prior to the Purchase Date or the Maturity Date, as the case may be, and the Purchase Date, if applicable; (v) with respect to the Bank Bonds, the date specified in any applicable Reimbursement Agreement then in effect, and (vi) with respect to the Series 2014__ Bonds bearing interest at an Auction Rate, the date defined as the **“Interest Payment Date”** in the Auction Procedures attached as an Exhibit to the Supplemental Indenture applicable to Series 2014__ Bonds in the Auction Mode.

If a day established for the payment of any Bonds is not a Business Day, such payment shall be made on the first Business Day thereafter with the same force and effect as if made on

the scheduled payment date. Upon conversion of this Series 2014__ Bond to a different Mode, the interest rate on this Series 2014__ Bond shall be determined by the Remarketing Agent in the manner and subject to the conditions set forth in the Indenture.

Bonds bearing interest at a Daily Rate or a Weekly Rate are subject to optional tender at the option of the Holders thereof at the times and pursuant to the procedures set forth in the Indenture. Bonds bearing interest at an Auction Rate, a Term Rate or a Flexible Rate are not subject to optional tender. All Bonds are subject to mandatory tender upon conversion of the Mode on the Series 2014__ Bonds to a different Mode and upon certain other circumstances as set forth in the Indenture. Holders may not elect to retain their Bonds upon mandatory tender.

The Series 2014__ Bonds bearing interest at a Flexible Rate, Daily Rate, Weekly Rate or Term Rate shall be subject to mandatory sinking fund redemption at par plus accrued interest on June 1, in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>
	\$

* Final Maturity

Whenever the Series 2014__ Bonds shall bear interest at the Daily Rate, Weekly Rate, Flexible Rate or Term Rate, the Series 2014__ Bonds shall be subject to redemption prior to their stated maturity, at the option of the District, pursuant to the terms of the Indenture.

If this Series 2014__ Bond is called for redemption or is subject to mandatory tender and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption or mandatory tender, respectively. Notice of any such redemption shall be given in the manner required by the Indenture.

There shall be no rights of acceleration with respect to the Series 2014__ Bonds. Upon the occurrence of any event of default, the Trustee may take whatever action at law or in equity it deems necessary or desirable (i) to collect any amounts then due under the Indenture or the Series 2014__ Bonds, (ii) to enforce performance of any obligation, agreement or covenant of the District under the Indenture or the Series 2014__ Bonds, or (iii) to otherwise enforce any of its rights.

This Series 2014__ Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at said principal corporate trust office of the Trustee, but

only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Indenture, and upon surrender and cancellation of this Series 2014__ Bond. Upon such transfer a Bond or Bonds, of authorized denomination or denominations and for the same aggregate principal amount, will be issued to the transferee in exchange herefor.

The District and the Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, and the District and the Trustee shall not be affected by any notice to the contrary.

To the extent permitted by and as provided in the Indenture, the terms and provisions of the Indenture or of any instrument supplemental thereto, may be modified or altered without the consent of Bondholders or with the consent of less than all Bondholders. The Indenture also contains a provision permitting waivers of compliance and default, under certain circumstances, by less than all Bondholders.

This Series 2014__ Bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the manual execution of the Certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, the District has caused this Series 2014__ Bond to be executed in its name by the manual signature of the Mayor of the District of Columbia and its Official Seal to be impressed on this Series 2014__ Bond and attested by the manual signature of the Secretary of the District of Columbia.

DISTRICT OF COLUMBIA

ATTEST:

By: _____
Mayor

By: _____
Secretary of the District of Columbia

AUTHENTICATION CERTIFICATE

This is one of the Series 2014__ Bonds described in the within mentioned Indenture and is hereby authenticated.

WELLS FARGO BANK, N.A., as Trustee

By: _____

Authorized Signature

Date: [____]

ASSIGNMENT

For value received, the undersigned Assignor hereby sells, assigns and transfers unto _____ (Please Print or Typewrite Name and Address of Assignee) the within Series 2014__ Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Series 2014__ Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature: _____

Signature
Guaranteed: _____

Please Insert Social Security
Number or Other Identifying
Number of Assignee. Notice:

The Assignor's signature to this Assignment must correspond with the name as it appears on the face of this Series 2014__ Bond in every particular, without alteration or any change whatever.

The following abbreviations, when used in the inscription on the face of this Series 2014__ Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN CO - as tenants in common

TEN ENT - as tenants by entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UTA _____
(Cust)

Custodian _____
(Minor)

under Uniform Transfers to Minors Act
(State)

Additional Abbreviations may also be used though not in the above list

**EXHIBIT B TO
EIGHTH SUPPLEMENTAL INDENTURE
FORMS OF THE SERIES 2014A-B BONDS IN INDEX RATE MODE**

THIS SERIES 2014__ BOND MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH SECTION 1002 OF THE EIGHTH SUPPLEMENTAL INDENTURE.

REGISTERED
No. R[A][B]-__

REGISTERED
\$[]

**DISTRICT OF COLUMBIA
(Washington, D.C.)**

**MULTIMODAL GENERAL OBLIGATION BONDS
SERIES 2014__**

MATURITY DATE	INTEREST RATE	INITIAL INDEX RATE CLOSING DATE	CUSIP NUMBER
_____	[LIBOR] [SIFMA] Index Rate	June 26, 2014	25476[]

REGISTERED OWNER: []

PRINCIPAL AMOUNT: [] DOLLARS (\$[])

The **DISTRICT OF COLUMBIA** (the “**District**”), for value received, hereby promises to pay from the source hereinafter provided to the Registered Owner specified above, or registered assigns, the Principal Amount specified above on the Maturity Date specified above, upon presentation and surrender hereof, and to pay to the Registered Owner hereof interest thereon from the source hereinafter provided from the Initial Index Rate Closing Date specified above or the most recent Interest Payment Date to which interest has been paid or duly provided for, set forth below, at the interest rate computed as provided in the Indenture (as hereinafter defined) and described herein, all subject to the provisions hereinafter described providing for the redemption of this Series 2014__ Bond before the Maturity Date.

Interest on this Series 2014__ Bond shall be due on each Interest Payment Date and shall be paid by wire transfer of immediately available funds to the account specified by the Registered Owner in a written direction delivered to the Trustee, or if no such account number is furnished, by check mailed by the Trustee to the Registered Owner at the address as it appears on the Bond Register as of the close of business of the Bond Registrar on the Record Date.

The principal of this Series 2014__ Bond shall be paid by wire transfer of immediately available funds to the account specified by the Registered Owner in a written direction delivered to the Trustee, or if no such account number is furnished, principal shall be payable at the designated corporate trust office of the Trustee.

The Series 2014__ Bonds are issued in the aggregate principal amount of \$[], pursuant to the provisions of, and in full compliance with, the laws of the District, in particular,

the District of Columbia Home Rule Act (P.L. 93-198; 87 Stat. 774; D.C. Official Code, §§ 1-201.01 et seq.), as amended (the “**Home Rule Act**”) and the General Obligation Bonds and Bond Anticipation Notes for Fiscal Years 2013-2018 Authorization Act of 2012, D.C. Law 19-231, effective March 19, 2013 (the “**Bond Act**”).

This Series 2014__ Bond is one of a duly authorized issue of Multimodal General Obligation Bonds, Series 2014__ (the “**Series 2014__ Bonds**” or the “**Bonds**”) of an aggregate principal amount of [_____] DOLLARS (\$[_____]), in Authorized Denominations, and of like tenor and effect except as to serial number, all of which have been authorized by law to be issued and have been issued to pay or redeem a portion of the District’s outstanding general obligation bonds. The Series 2014__ Bonds are equally and ratably secured by the Master Trust Indenture dated as of December 1, 2004, as previously amended and supplemented (the “**Trust Indenture**”), and as further supplemented by the Eighth Supplemental Trust Indenture dated as of _____, 2014 (the “**Eighth Supplemental Indenture**” and together with the Trust Indenture, the “**Indenture**”), each duly executed and delivered by the District to Wells Fargo Bank, N.A. (the “**Trustee**”), and the Bond Act. Capitalized terms used herein and not defined herein shall have the meanings set forth in the Indenture.

Reference is hereby made to the Indenture (a copy of which is on file at said designated corporate trust office of the Trustee) and to the Bond Act for a description of the rights thereunder of the registered owners of the Series 2014__ Bonds, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and of the rights and obligations of the District thereunder, to all the provisions of which Indenture the registered owner of this Series 2014__ Bond, by acceptance hereof, assents and agrees.

THE SERIES 2014__ BONDS ARE GENERAL OBLIGATIONS OF THE DISTRICT AND THE FULL FAITH AND CREDIT OF THE DISTRICT IS PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2014__ BONDS WHEN DUE. THE SERIES 2014__ BONDS ARE PAYABLE FROM ALL FUNDS OF THE DISTRICT NOT OTHERWISE LEGALLY COMMITTED AND CONSTITUTE CONTINUING OBLIGATIONS UNTIL PAID IN ACCORDANCE WITH THEIR TERMS. THE SERIES 2014__ BONDS ARE SECURED BY A PERFECTED SECURITY INTEREST IN AND FIRST PRIORITY LIEN ON THE FUNDS DERIVED FROM A SPECIAL REAL PROPERTY TAX LEVIED BY THE DISTRICT AND REQUIRED TO BE COLLECTED ANNUALLY PURSUANT TO SECTION 481 OF THE HOME RULE ACT, WITHOUT LIMITATION AS TO RATE OR AMOUNT, IN AMOUNTS SUFFICIENT, TOGETHER WITH OTHER REVENUES AVAILABLE, TO PAY THE PRINCIPAL OF AND INTEREST ON THE SERIES 2014__ BONDS AND THE PARITY BONDS WHEN DUE. THE FUNDS DERIVED FROM THE SPECIAL REAL PROPERTY TAX ARE SUBJECT TO THE SECURITY INTEREST AND LIEN UPON RECEIPT BY THE DISTRICT. WHEN COLLECTED, SUCH SPECIAL TAX RECEIPTS ARE REQUIRED TO BE SET ASIDE IN A SEPARATE SPECIAL TAX FUND AND DEDICATED TO SUCH PAYMENT OF PRINCIPAL AND INTEREST. THE LIEN OF THE HOLDERS OF THE SERIES 2014__ BONDS AND ANY PARITY BONDS ON SUCH SPECIAL TAX RECEIPTS IS FIRST AND PRIOR AS AGAINST ANY OTHER CLAIMS AGAINST THE DISTRICT.

No covenant, stipulation, obligation or agreement of the District in the Indenture or the Series 2014 __ Bonds shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future elected or appointed official, officer, employee or agent of the District in his or her individual capacity, and neither the members of the Council of the District of Columbia nor any official executing the Series 2014 __ Bonds shall be liable personally on the Series 2014 __ Bonds or be subject to any personal liability or accountability by reason of the issuance of the Series 2014 __ Bonds or by reason of the covenants, stipulations, obligations or agreements of the District contained in the Indenture or the Series 2014 __ Bonds.

The Series 2014 __ Bonds initially shall bear interest at the [LIBOR][SIFMA] Index Rate determined as provided in the Indenture until changed to any other Mode, and subject to adjustment pursuant to the provisions of the Indenture and the applicable Continuing Covenants Agreement. When interest is payable (a) at the LIBOR Index Rate, it will be payable on the basis of a 360-day year for the actual number of days elapsed, and (b) the SIFMA Index Rate, it will be computed on the basis of a year of three hundred sixty-five (365) or three hundred sixty-six (366) days, as the case may be, for the actual number of days elapsed.

During each Interest Period for each Mode, the interest rate or rates for the Series 2014 __ Bonds shall be determined in accordance with the Indenture and shall be payable on the Interest Payment Date for such Interest Period. The interest payable on an Interest Payment Date shall be calculated from and including the prior Interest Payment Date (or the dated date of the Series 2014 __ Bonds) to and including the day before the Interest Payment Date.

“Interest Payment Date” shall mean, with respect to Series 2014 __ Bonds bearing interest in a SIFMA Index Period or LIBOR Index Period, (i) the first Business Day of each month, (ii) a Mandatory Repurchase Date and (iii) the Maturity Date.

If a day established for the payment of any Bonds is not a Business Day, such payment shall be made on the first Business Day thereafter with the same force and effect as if made on the scheduled payment date. Upon conversion of this Series 2014 __ Bond to a different Mode (or another Index Rate Mode), the interest rate on this Series 2014 __ Bond shall be determined, and interest shall be payable, in the manner and subject to the conditions set forth in the Indenture.

During an Index Rate Period, subject to any limitations set forth in the Continuing Covenants Agreement, the Series 2014 __ Bonds in an Index Rate Mode shall be subject to optional redemption by the District, in whole or in part, in any Authorized Denominations on any Interest Payment Date, at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, *provided, however*, if such optional redemption occurs prior to the first anniversary of the Initial Index Rate Closing Date, the District shall pay the Purchaser an Optional Redemption Premium in an amount set forth in the Continuing Covenants Agreement. Any such redemption in part shall be in an amount so that the Purchaser continues to own Series 2014 __ Bonds in an amount equal to at least two hundred fifty thousand dollars (\$250,000).

The Series 2014 __ Bonds bearing interest at a Flexible Rate, Daily Rate, Weekly Rate, Term Rate or Index Rate shall be subject to mandatory sinking fund redemption at par plus accrued interest on June 1, in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

* Final Maturity

The Series 2014__ Bonds may be subject to mandatory repurchase on any Mandatory Index Rate Repurchase Date, as specified in the Indenture and the applicable Continuing Covenants Agreement.

If this Series 2014__ Bond is called for redemption or is subject to mandatory tender and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption or mandatory tender, respectively. Notice of any such redemption shall be given in the manner required by the Indenture.

There shall be no rights of acceleration with respect to the Series 2014__ Bonds. Upon the occurrence of any event of default, the Trustee may take whatever action at law or in equity it deems necessary or desirable (i) to collect any amounts then due under the Indenture or the Series 2014__ Bonds, (ii) to enforce performance of any obligation, agreement or covenant of the District under the Indenture or the Series 2014__ Bonds, or (iii) to otherwise enforce any of its rights. In addition, the Registered Owner shall have the remedies set forth in the Continuing Covenants Agreement.

The District and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the District and the Trustee shall not be affected by any notice to the contrary.

To the extent permitted by and as provided in the Indenture, the terms and provisions of the Indenture or of any instrument supplemental thereto, may be modified or altered without the consent of Bondholders or with the consent of less than all Bondholders. The Indenture also contains a provision permitting waivers of compliance and default, under certain circumstances, by less than all Bondholders.

This Series 2014__ Bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the manual execution of the Certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, the District has caused this Series 2014__ Bond to be executed in its name by the manual signature of the Mayor of the District of Columbia and its Official Seal to be impressed on this Series 2014__ Bond and attested by the manual signature of the Secretary of the District of Columbia.

DISTRICT OF COLUMBIA

ATTEST:

By: _____
Mayor

By: _____
Secretary of the District of Columbia

AUTHENTICATION CERTIFICATE

This is one of the Series 2014__ Bonds described in the within mentioned Indenture and is hereby authenticated.

WELLS FARGO BANK, N.A., as Trustee

By: _____
Authorized Signature

Date: [_____]

ASSIGNMENT

For value received, the undersigned Assignor hereby sells, assigns and transfers unto _____ (Please Print or Typewrite Name and Address of Assignee) the within Series 2014__ Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Series 2014__ Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature: _____

Signature

Guaranteed: _____

Please Insert Social Security
Number or Other Identifying
Number of Assignee. Notice:

The Assignor's signature to this Assignment must correspond with the name as it appears on the face of this Series 2014__ Bond in every particular, without alteration or any change whatever.

The following abbreviations, when used in the inscription on the face of this Series 2014__ Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN CO - as tenants in common

TEN ENT - as tenants by entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UTA _____
(Cust)

Custodian _____
(Minor)

under Uniform Transfers to Minors Act
(State)

Additional Abbreviations may also be used though not in the above list