

The Commonwealth of Massachusetts
Office of the Treasurer and Receiver-General
Debt Management Department

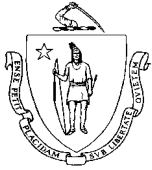


**Solicitation
for
Standby Bond Purchase Agreements**

AMENDED DECEMBER 23, 2013

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REQUEST FOR RESPONSE
Office of the Treasurer and Receiver-General

RFR Contact Person: Rhett Ross
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Internet Address: <http://www.massbondholder.com/>
RFR File Name/Title: TRE Debt Management – 2013-3 SBPAs RFR
RFR File Number: TRE-DBT-RFR 2013-3 for SBPAs

I. SUMMARY AND PURPOSE

The Treasurer and Receiver-General of the Commonwealth of Massachusetts (the “Commonwealth”) requests responses from qualified firms interested in providing liquidity facilities for The Commonwealth of Massachusetts General Obligation Refunding Bonds 2001 Series C Bonds (Variable Rate Demand Bonds) (the “2001 C Bonds”) and/or a new money series of The Commonwealth of Massachusetts General Obligation Variable Rate Demand Bonds (the “New Money Bonds” and together with the 2001 C Bonds, the “Bonds”). The primary purpose of the solicitation is to obtain bank liquidity for the Bonds. The 2001 C Bonds are currently supported by a standby bond purchase agreement, scheduled to expire on February 20, 2014, that may be extended to allow for completion of this Request for Responses (“RFR”).

The Commonwealth expects to select a bank or banks pursuant to this RFR to provide bank liquidity for the Bonds via **Standby Bond Purchase Agreements** (“SBPAs”). Bidders may bid on either the SBPA for the 2001 C Bonds or the SBPA for the New Money Bonds or both. The Commonwealth reserves the right to award each to different bidders or both to one bidder. The Commonwealth expects to select one bank to provide an SBPA for the 2001 C Bonds. Likewise, the Commonwealth expects to select one bank to provide an SBPA for the New Money Bonds. However, the Commonwealth reserves the right to select more than one bank to provide SBPAs for the New Money Bonds. The Commonwealth further reserves the right to reject any or all bids received.

In addition to fulfilling the Commonwealth’s needs relating to the 2001 C Bonds and the New Money Bonds, if the Commonwealth determines that it is in its best interests (based on the strength of the submissions received and market conditions), it may also select a bank from this RFR to provide liquidity via SBPA for other currently outstanding Variable Rate Demand Bonds. Such selections are subject to modification of duration and cost to reflect the Commonwealth’s needs. (*See* Section V.A – “SCOPE OF SERVICES” for additional information).

It should be noted that based on the Commonwealth’s existing bank liquidity agreements, the next SBPA expiration date after February 20, 2014 will be August 15, 2014.

Bidders submitting responses are subject to the provisions in SECTION III (“SPECIFICATIONS, REQUIREMENTS & COMPONENTS”) and must meet the requirements/criteria detailed in SECTION IV, Subsection A (“LEGAL AND OTHER REQUIREMENTS”) and submit mandatory documents as described in Section V, Subsection B (“MANDATORY ATTACHMENTS AND ENCLOSURES”).

II. RFR CALENDAR, INSTRUCTIONS & EVALUATION PROCESS

A. RFR CALENDAR / TIMELINE

This section provides the anticipated timeline for the Commonwealth's RFR and selection process with respect to the services sought herein. All dates are preliminary and subject to modification by the Commonwealth at any time, with notice.

- Issuance of RFR Wednesday, December 18, 2013
- Deadline for Submission of Written Questions Friday, January 3, 2014 (at 12:00 PM)
- Post Answers to Written Questions Monday, January 6, 2014
(posted on Comm-PASS at <http://www.comm-pass.com/>)
- Deadline for Submission Monday, January 13, 2014 (at 2:00 PM)
- Notification of Bidders Selected in Phase Two and Request for Acceptance of Form Agreement(s) (and changes) Friday, January 24, 2014
- Acceptance of Form Agreements (with any proposed changes) Due Friday, January 31, 2014
- Notification of Bidders Selected in Phase Three and Request for Cost Proposals Wednesday, February 12, 2014
- Approximate Contract Award Date Wednesday, February 19, 2014

NOTE: Questions concerning the RFR must be submitted to the RFR Contact Person via email:

Rhett Ross, Legal and Financial Analyst
Office of the Treasurer and Receiver-General
Subject: TRE-DBT-RFR 2013-3 SBPAs
procurements@tre.state.ma.us

Copies of this RFR may be obtained electronically on Comm-PASS at <http://www.comm-pass.com/>.

B. RFR INSTRUCTIONS

1. **Response Submission.** One (1) hard copy with original signatures and one (1) compact disc or USB flash drive of the Bidder's response and attachments in searchable PDF format (signed pages do not need to be searchable) must be delivered to the Commonwealth in one sealed package no later than **2:00 p.m. on Monday, January 13, 2014**. Do not include a Cost Proposal or any information relating to cost. THE COST PROPOSAL WILL BE SEPARATELY REQUESTED FROM THOSE FIRMS SELECTED IN PHASE THREE REVIEW FOR EVALUATION IN PHASE FOUR (see Section II.C.). Responses and attachments received after this deadline date and time will not be evaluated.

Responses and attachments should be delivered to:

Rhett Ross
Legal and Financial Analyst
Office of the Treasurer and Receiver General
ATTN: TRE-DBT-RFR 2013-3 for SBPAs
One Ashburton Place, 12th Floor
Boston, Massachusetts 02108
E-mail Address: procurements@tre.state.ma.us

2. **Response Format.** Please organize your response in the following order:

- a. Cover Letter
- b. Table of Contents
- c. Mandatory Attachments (see Section IV.B.)
- d. Phase Two Questionnaire - Technical Proposal

Failure to follow these formatting requirements may result in the disqualification of the Bidder's response.

Please note: no cost information shall be included anywhere in the response. Cost information will be requested from those firms selected in phase three review (see Section II.C.).

C. RFR EVALUATION PROCESS

1. **Evaluation Process.** The RFR Evaluation Process will be conducted in four phases:

- Mandatory Attachment Review,
- Technical Review,
- Agreement Terms Review, and
- Cost Proposal Review.

The evaluation will be conducted by the Procurement Management Team ("PMT").

Phase One, the Mandatory Attachment Review, will consist of verification that all required elements of the response are included in the bid. Bids found to be complete will proceed to Phase Two Review.

Phase Two Review, the Technical Review, will consist of an evaluation of the bidder's qualifications, partially based on its responses to the questions in this RFR. All, some, or none of the bids will be selected to proceed to Phase Three Review. Bidders will be contacted via email with further instructions.

Phase Three, the Agreement Terms Review, will consist of the Commonwealth reviewing any modifications to the form agreement requested (see Appendix A), discussion and negotiation between bidders and the Commonwealth, if necessary, and agreeing on a form of agreement with each bidder. It is the Commonwealth's strong preference that the standard form be used. The agreements will be evaluated. All, some, or none of the bids will be selected to proceed to Phase Four Review. Selected bidders will be contacted via email with further instructions.

Phase Four Review will consist of an evaluation of the bidders' Cost Proposals and final selection based on all phases of review.

- a. **Phase One: Mandatory Attachment Review:** The purpose of this phase is to verify that each bid is complete and includes all required attachments. Please complete Attachment A ("Mandatory Attachment Checklist") to ensure completion of required documents and submit it with the response. Bidders' responses will be reviewed based on listed criteria and

completeness of response, including mandatory attachments and compliance to submission criteria. The Commonwealth in its sole discretion reserves the right to waive or permit cure of non-material errors or omissions. Staff at the Commonwealth will conduct this portion of the review. Any bids that are nonresponsive to the requirements of the RFR will be eliminated prior to Phase Two Review. The determination of a nonresponsive bid is in the sole discretion of the Commonwealth.

b. **Phase Two: Technical Review:** The purpose of this phase is to evaluate each bidder's technical qualifications. The Commonwealth will evaluate bids, including answers to the questionnaires in Section V.B., and select bids to proceed to the next phase of review. In making the selection, consideration will be given to factors including:

- A firm's financial stability
- A firm's credit ratings including rating outlooks
- Diversification of the Commonwealth's portfolio of liquidity providers
- Relative value of a bank's liquidity facility
- The bank's credit approval for providing the SBPA
- Bank liquidity market share
- Liquidity capacity
- References

The Commonwealth reserves the right to consider information about any firm from other sources in addition to the information submitted by the firm. This may include rating reports and other credit measures like credit default swap spreads, estimated default frequency or relative trading value performance. Following evaluation, the Commonwealth will make a determination whether to advance all, some or none of the bids to Phase Three.

c. **Phase Three: Agreement Terms Review:** The purpose of this phase is to agree on terms of an agreement with each bidder and evaluate each agreement based on the strength of the agreement from the Commonwealth's perspective. Bidders selected for consideration in Phase Three will be contacted via email and asked to indicate their acceptance of the form agreement attached hereto as Appendix A and the terms therein. It is the Commonwealth's strong preference to use the form agreement as attached to this RFR. However, bidders may also submit any modifications or alternative terms from those set forth in the Commonwealth's form agreement, so long as they are at least equally favorable to the Commonwealth. The Commonwealth may engage in a negotiation of terms with each bidder and bidders may be contacted by the Commonwealth or the Commonwealth's counsel during Phase Three Review for discussion of any requested modifications or alternative terms. The Commonwealth is under no obligation to negotiate terms that are inconsistent with its standard form with any bidder. Each agreement will be evaluated based on how closely it matches the form agreement attached to this RFR. This evaluation may be partly based on advice from the Commonwealth's counsel or financial advisors. Following evaluation, the Commonwealth will make a determination whether to advance all, some or none of the bids to Phase Four.

d. **Phase Four: Cost Proposal Review:** The purpose of this phase is to evaluate bidders' Cost Proposals and determine, based on all phases of review, which bidder(s) will be selected. Bidders advanced to Phase Four Review will be contacted via email and asked to submit a Cost Proposal. The Cost Proposal form will be attached to the notification email and the email will specify a due date and time. Cost Proposals will seek quotes for 1, 2, 3, 4 and 5 year terms for each of the 2001 C Bonds and the New Money Bonds. It is anticipated that bidders will be given approximately one (1) business day to respond via email with completed Cost Proposals. Cost Proposals will be opened and evaluated as a part of Phase Four Review. Based on evaluations in all phases of review, the PMT will

make a recommendation to the Treasurer and Receiver-General (“State Treasurer”) who will then accept or reject the recommendation. The State Treasurer will make the final selection decision.

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III. SPECIFICATIONS, REQUIREMENTS & COMPONENTS

By submitting a Response to the RFR, the Bidder agrees to comply with all of the RFR required specifications, components and requirements listed below in Sections III A & B:

To the maximum extent possible the Commonwealth is following the rules and regulations set forth in 801 Code of Massachusetts Regulations (“CMR”) 21.00: Procurement of Commodities and Services in this RFR. All terms, conditions, requirements, and procedures included in this RFR must be met for a response to be qualified as responsive. A response that fails to meet any material term, condition, requirement or procedure of this RFR may be deemed unresponsive and disqualified. The Commonwealth reserves the right to waive or permit cure of non-material errors or omissions. Unless otherwise specified, all communications, responses, and documentation regarding this RFR must be in English. All responses must be submitted in accordance with the specific terms of this RFR.

The Commonwealth reserves the right to modify, amend or cancel the terms of this RFR at any time.

A. RFR REQUIRED SPECIFICATIONS

1. **Best Value Selection and Negotiation.** The PMT and/or the State Treasurer may select the response(s) that demonstrates the “Best Value” overall, including proposed alternatives that will achieve the procurement goals of the Commonwealth. The PMT and/or the State Treasurer and the selected Bidder may negotiate a change in any element of contract performance or cost identified in the original RFR or the selected Bidder's response, which results in lower costs or a more cost-effective or better value than was presented in the selected Bidder's original response. It is in the Commonwealth's sole discretion to define “Best Value.”
2. **Bidder Communication.** Bidders are prohibited from communicating directly with any employees, advisors, or counsel of the Commonwealth or any member of the PMT regarding this RFR, except as specified in this RFR, and no other individual Commonwealth of Massachusetts employee or representative is authorized to provide any information or respond to any question or inquiry concerning this RFR, except as specified in this RFR. Bidders may contact the contact person for this RFR with questions or problems. Failure to observe this rule will result in disqualification.
3. **Comm-PASS.** Comm-PASS is the official system of record for all procurement information which is publicly accessible at no charge at www.comm-pass.com. Information contained in this document and in each tab of the Solicitation, including file attachments, and information contained in the related Bidders' Forum(s), are all components of the Solicitation.

Bidders are solely responsible for obtaining all information distributed for this Solicitation via Comm-PASS, by using the free Browse and Search tools offered on each record-related tab on the main navigation bar (Solicitations and Forums). Forums support Bidder submission of written questions associated with a Solicitation and publication of official answers. All records on Comm-PASS are comprised of multiple tabs, or pages. For example, Solicitation records contain Summary, Rules, Issuer(s), Intent or Forms & Terms and Specifications, and Other Information tabs. Each tab contains data and/or file attachments provided by the Commonwealth. All are incorporated into the Solicitation.

It is each Bidder's responsibility to check Comm-PASS for:

- Any addenda or modifications to this Solicitation, by monitoring the “Last Change” field on the Solicitation's Summary tab, and
- Any Bidders' Forum records related to this Solicitation (see Locating a Online Bidders' Forum for information on locating these records)

The Commonwealth accepts no responsibility and will provide no accommodation to Bidders who submit a Response based on an out-of-date Solicitation or on information received from a source other than Comm-PASS.

Bidders may not alter (manually or electronically) the RFR language or any RFR component files. Modifications to the body of the RFR, its specifications, or terms and conditions, which change the intent of this RFR are prohibited and may disqualify a response.

4. **Comm-PASS SmartBid Subscription.** Bidders may elect to obtain an optional SmartBid subscription which provides value-added features, including automated email notification associated with postings and modifications to Comm-PASS records. When properly configured and managed, SmartBid provides a subscriber with:
 - A secure desktop within Comm-PASS for efficient record management;
 - A customizable profile reflecting the subscriber's product/service areas of interest;
 - A customizable listing in the publicly accessible Business Directory, an online "yellow-pages" advertisement;
 - Full-cycle, automated email alert whenever any record of interest is posted or updated;
 - Access to Online Response Submission, when allowed by the Issuer, to support: paperless bid drafting and submission to an encrypted lock-box prior to close date; electronic signature of OSD forms and terms; agreement to defer wet-ink signature until Contract award, if any; withdrawal of submitted bids prior to close date; and online storage of submitted bids.

Every public purchasing entity within the borders of Massachusetts may post records on Comm-PASS at no charge. Comm-PASS has the potential to become the sole site for all public entities in Massachusetts. SmartBid fees are only based on and expended for costs to operate, maintain and develop the Comm-PASS system.

5. **Costs.** Costs that are not specifically identified and defined in the Bidder's Cost Proposal, and accepted by the Commonwealth as part of the final executed form of agreement(s), will not be compensated under any contract or instrument awarded pursuant to this RFR. The Commonwealth will not be responsible for any costs or expenses incurred by Bidders responding to this RFR.
6. **Minimum Bid Duration.** Bidders may withdraw their submission any time prior to January 13, 2014 at 2:00 PM. Responses/bids made in response to this RFR as of the Deadline for Submission must remain in effect until 30 days after the Contract Award Date, provided that the response/bid from the awardee shall remain in effect until the effective date of the applicable agreement.
7. **Public Records.** All responses and information submitted in response to this RFR are subject to the Massachusetts Public Records Law, Massachusetts General Laws ("M.G.L."), Chapter 66, Section 10, and Chapter 4, Section 7, Subsection 26. Any statements in submitted responses that are inconsistent with these statutes will be disregarded. Bidders are advised that all proposals are deemed sealed, and therefore their contents will be treated as confidential and will not be disclosed to competing Bidders until the evaluation process has been completed, the contract has been awarded and negotiations are finalized.
8. **Reasonable Accommodation.** Bidders with disabilities that seek reasonable accommodation, which may include the receipt of RFR information in an alternative format, must communicate such requests in writing to the contact person. Requests for accommodation will be addressed on a case-by-case basis. A Bidder requesting accommodation may be required to confirm his or her request in writing to the contact person. The request must state that it is based on a disability and specifically identify the accommodation desired. Although entities of the Commonwealth will make all reasonable efforts to accommodate the requests of Bidders with disabilities, they reserve the right to reject unreasonable requests.

9. **Restriction on the Use of the Commonwealth Seal.** Bidders and contractors are not allowed to display the Commonwealth of Massachusetts Seal in their bid package or in any subsequent marketing materials if they are awarded a contract. Use of the coat of arms and the Great Seal of the Commonwealth for advertising or commercial purposes is prohibited by law.
10. **Prohibition Against Selling or Distributing Information.** Any Bidder awarded a contract under this RFR is prohibited from selling or distributing any information collected or derived from the contract and/or procurement process, including lists of participating or eligible Commonwealth of Massachusetts employee names, telephone numbers, email addresses or addresses.
11. **Response Provisions.** When responding to this RFR, Bidders should take note of the following provisions:
- a. The Commonwealth reserves the right to request additional information from Bidders responding to this RFR. The Commonwealth reserves the right to consider information about Bidders from other sources in addition to the information submitted by the firm.
 - b. The Commonwealth reserves the right to reject any and all responses to this RFR, to waive any minor informality in a response, to request clarification of information from any Bidder responding, and to effect any agreement deemed by the Commonwealth to be in the Commonwealth's best interest with one or more of the Bidders responding. The Commonwealth reserves the right to amend or cancel this RFR at any time.
 - c. All responses and their contents will become the sole property of the Commonwealth upon receipt by it and will not be returned to the Bidder.
 - d. The Commonwealth will not reimburse any Bidder for any costs associated with the preparation or submittal of any response to this RFR or for any travel and/or per diem incurred in any presentation of such responses.
 - e. The narrative response should address all items included in each section of the Technical Proposal.
 - f. The Commonwealth reserves the right to request the presumed winning bidder to select different bank counsel.
12. **Disqualification of Responses.** Reasons for disqualification of responses include, but are not limited to:
- a. **Late Proposals:** Proposals that are received after the deadline date and time for any phase of this RFR may be automatically disqualified at the sole discretion of the Commonwealth.
 - b. **Nonresponsive Proposals:** A response that fails to meet any material term, condition, requirement or procedure of this RFR will be deemed unresponsive and disqualified. The Commonwealth reserves the right to waive or permit cure of non-material errors or omissions. Non-responsive proposals shall include, but not be limited to those, which fail to address or meet any mandatory item, and those submitted in insufficient number, or in incorrect format. It is in the Commonwealth's sole discretion to define, identify and disqualify a nonresponsive response or portion thereof.
 - c. **Collusion:** Collusion by two or more Bidders agreeing to act in a manner intended to avoid or frustrate fair and open competition is prohibited and shall be grounds for rejection or disqualification of a proposal or termination of this contract. Bidders will be required to complete a "Certificate of Non-Collusion" as one of the mandatory attachments.

- d. Debarred Bidders or Participants: A Bidder who is currently subject to any Commonwealth of Massachusetts or federal debarment order or determination, shall not be considered for evaluation by the Commonwealth.

B. COMPONENTS OF PROCUREMENT

1. **Duration and Renewal Options.** The Commonwealth will consider bids for standby bond purchase agreements with terms of 1, 2, 3, 4 and 5 years. The final maturity of the 2001 C Bonds is January 1, 2021. The maturity date for the New Money Bonds has not yet been finalized. For purposes of this RFR, bidders may assume it is January 1, 2044 (this date is preliminary and subject to change).
2. **Acquisition Method.** (Those that apply are checked.)
 - Outright Purchase
 - License
 - Fee for Service
 - Tax-exempt Lease Purchase
 - Term Lease
 - Lease Purchase
 - Rental (not to exceed 6 months)
 - Other (specify)
3. **Contract Guidelines.** (Those that apply are checked.)
 - Only the Commonwealth may contract under RFR
 - Option to allow other Departments/political subdivisions to contract under RFR
 - Statewide Contract
 - Multi- User Contract
 - Pre-Qualification List
4. **Anticipated Expenditures, Funding or Compensation for Expected Duration.** Subject to selected Bidder's quotes and rates, subject to negotiation.
5. **Contract Performance and Additional Business Specifications.**
 - a. **Evaluation and Selection of Contractor.** The Commonwealth shall have sole authority to evaluate and make the final selection of Bidder(s) for contract negotiation(s) pursuant to this RFR. The selection will be made after evaluation of both technical and cost proposals by the PMT and final approval by the State Treasurer. The Commonwealth reserves the right to reject any and all bids.
 - b. **Change in Terms.** The Commonwealth reserves the right to modify the specifications identified in the RFR at any time. The Commonwealth reserves the right to negotiate with the selected Bidder(s) as to any element of cost or performance, including without limitation, elements identified in the RFR and/or the selected Bidder's response in order to achieve the best value for the
 - c. **Termination or Suspension.** Bidder's services may be terminated or suspended as set forth in the form of Standby Bond Purchase Agreement or as otherwise negotiated between the Commonwealth and the Bidder.
 - d. **Permits and Compliance.** The Bidder shall procure and pay for all permits, licenses and approvals necessary to perform the services solicited in this RFR. The Bidder shall comply with all applicable laws, ordinances, rules, orders and regulations related to the performance of the services solicited. The Commonwealth may, at its option, request documentation evidencing the Bidder's compliance.

- e. **Submission of Proposal Materials.** All materials, representations and submissions made within the proposal are subject to becoming part of the contract binding the selected bidder to uphold the materials, representations and submissions made by the selected bidder within the proposal.

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IV. MANDATORY ATTACHMENT REVIEW REQUIREMENTS

Compliance with all criteria listed below is mandatory in order for a bid to be accepted for further review. Bidder's response should demonstrate compliance with each of the conditions qualifying an institution to propose as outlined below.

A. LEGAL AND OTHER REQUIREMENTS

On the Bidder's letterhead, signed by an individual with the authority to bind the firm, please address/respond to each of the requirements listed in this section. Where you are asked to provide documentation, please indicate whether or not the requested document(s) has been attached.

1. **Compliance with RFR Requirements.** A statement that the Bidder agrees to meet every specification, requirement, or condition set forth in the RFR.
2. **Contract Terms Agreement.** The Bidder warrants that it will enter into and agree to the provisions of the Commonwealth's "Standby Bond Purchase Agreement" and/or "Bondholder's Agreement," subject to mutually agreed upon modifications or alternative terms. Copies of these Agreements are included as **Appendix A** and **Appendix B** hereto.
3. **Licenses and Registrations.** A statement that the Bidder meets all applicable state and federal requirements, and has all the licenses and registrations necessary to perform the contract.
4. **Pending Litigation.** Details of any pertinent judgment, criminal conviction, investigation or litigation pending against the Bidder or any of its officers, directors, employees, agents, or subcontractors of which the Bidder has knowledge or a statement that there are none. The Commonwealth reserves the right to reject a response based on this information. If separate responses are required for different divisions or subsidiaries of the Bidder, the Bidder must submit a separate response for each division or subsidiary. Responses to this section that reference regulatory filings or publicly available documents must be up-to-date as of the date of the Bid and provide accurate website addresses.
5. **Ratings.** If selected to provide the services solicited pursuant to this RFR, the bank must agree to notify the Commonwealth of any changes to its long-term or short-term ratings and/or outlook changes by Fitch, Moody's and Standard & Poor's and if the rating changes trigger any optional termination provisions in the Standby Bond Purchase Agreement.
6. **Conflict of Interest.** Prior to award of any contract, the Bidder shall certify in writing to the Commonwealth that no relationship exists between the Bidder and the Commonwealth or The Commonwealth of Massachusetts that interferes with fair competition or is a conflict of interest, and no relationship exists between the Bidder and another person or organization that constitutes a conflict of interest with respect to a state contract. The Commonwealth may waive this provision, in writing, if these activities of the Bidder will not be adverse to the interests of the Commonwealth. No official or employee of the Commonwealth who exercises any function or responsibility in the review or approval of the undertaking or carrying out of this project shall, prior to the completion of the project, voluntarily acquire any personal interest, either directly or indirectly, in this contract or proposed contract.

The Bidder shall provide assurance that it presently has no interest and shall not acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of its services hereunder. The Bidder shall also provide assurances that no person having any such known interests shall be employed during the performance of this contract.

7. **Cease and Desist**. If selected for any services solicited through this RFR, the financial institution must agree to immediately notify the Commonwealth of any cease and desist order issued.

B. MANDATORY ATTACHMENTS AND ENCLOSURES

The Bidder's response shall include the completed mandatory attachments listed below. Any attachments referenced in this RFR as a document required to be filed can be found in Comm-PASS with this RFR. Many of the required documents referenced in this RFR are also available at the OSD website, www.mass.gov/osd, in the [OSD Forms](#) section.

These documents may be downloaded and printed for you to complete and submit. If you do not understand these instructions or you require additional assistance, please contact the OSD/Comm-PASS help desk at 1-888-627-8283. Note: The mandatory attachments indicated below are in addition to the inclusion of the RFR questions and answers and must be attached to the bidder's response.

Please complete Attachment B ("Mandatory Attachment Checklist") to ensure completion of each mandatory item and attach it to the cover letter. The Bidder's response must include all completed mandatory attachments/items listed below:

1. **Cover Letter and Executive Summary** (signed). The Response must include a cover letter, limited to one page, which must be signed by at least one individual who is authorized to bind the firm contractually and must include:
 - a. The firm name
 - b. The firm address
 - c. The firm telephone/fax number/email address
 - d. The client contact
 - e. The title or position which the signer of the cover letter holds in the firm
 - f. An executive summary of the contents of the Response.
 - g. A statement to the effect that the Proposal is a firm and irrevocable offer that will be valid until 30 days from the Contract Award Date, and if the Bidder is awarded hereunder, until the effective date of the applicable agreement.
2. **Questionnaire – Technical Proposal**. SECTION V.B – Questionnaire – Technical Proposal.
3. **Request for Taxpayer Identification Number and Certification (W-9)** (signed). The W-9 Form must be completed and signed.
4. **Electronic Funds Transfer Sign Up Form** (signed). All Bidders responding to this RFR must agree to participate in the Commonwealth Electronic Funds Transfer (EFT) program for receiving payments. Contractors are able to track and verify payments made electronically through the Comptroller's Vendor Web system. Additional information about EFT is available on the VendorWeb site (www.mass.gov/osc). Because the Authorization for Electronic Funds Payment Form contains banking information, this form, and all information contained on this form, shall not be considered a public record and shall not be subject to public disclosure through a public records request. This Attachment can be found on the Comm-Pass Website at www.comm-pass.com under the "Forms & Terms" Tab for this solicitation).
5. **Contractor Authorized Signature Verification Form** (signed & notarized). If the Bidder is a corporation, partnership or other business entity, complete the form as indicated.
6. **Tax Compliance Certification** (certificate / proof of application). The Bidder must demonstrate that it is in compliance with all Federal and Commonwealth of Massachusetts tax laws (regardless of corporate locations) including M.G.L. Chapter 62C, Section 49A. The Bidder must submit an

original or photocopy of a Certificate of Tax Compliance in Good Standing, which has been issued by the Commonwealth of Massachusetts Department of Revenue (DOR) within the past year. This Certificate may be obtained by submitting a request to:

Taxpayer Services Division, Certificate Unit
Department of Revenue
PO Box 7066
Boston, Massachusetts 02204
(617) 887-6550

The application must list the tax types for which the business is liable, including such items as meals, room occupancy, sales, use, withholding, corporate income and others as applicable. The issuance of the certificate normally takes several weeks, and as such, Bidders should indicate that their request for a certificate is sought in connection with a Commonwealth solicitation (with a deadline). If the Bidder does not submit the requested tax certificate with the proposal, the Bidder must submit documentation evidencing that the appropriate application has been filed. Evidence includes: facsimile transmittal, mailing receipt, receipt-stamped application, etc. The Certificate must be issued and provided to the Commonwealth prior to the final execution of the Standard Contract Form.

7. **Treasury Supplier Diversity Program (TSDP) Plan Form** (signed). The Commonwealth is committed to developing and strengthening Minority and Women Business Enterprises (M/WBEs) and expanding equal opportunity in the primary and any secondary industries affected by this RFR. Consequently, the Commonwealth requires all responsive Bidders to submit a *Treasury Supplier Diversity Program Plan Form* (“TSDP Plan Form”) with its response. Bidders that clearly demonstrate the intent to further the development of M/WBEs or the existence of a relationship which does further these goals will receive favorable consideration from the PMT. Additionally, a Bidder, which is a Massachusetts Supplier Diversity Office certified vendor, may be found “Advantageous,” based on the Bidder’s Massachusetts certification status. (See “Treasury Supplier Diversity Program Instructions” Attachment for further information on the TSDP Plan Form, and how this section will be scored. This Attachment and the TSDP Plan Form can be found on the Comm-Pass Website at www.comm-pass.com under the “Forms & Terms” Tab for this solicitation.

Treasury Supplier Diversity Program Subcontracting Policies. Prior approval of the Commonwealth is required for any subcontracted service of the contract. The Commonwealth may define required deliverables including, but not limited to, documentation necessary to verify subcontractor commitments and expenditures with Minority- or Women-Owned Business Enterprises (M/WBEs) for the purpose of monitoring and enforcing any compliance of subcontracting commitments made in a bidder’s *Treasury Supplier Diversity Program Plan Form* (TSDP Plan Form). Contractors are responsible for the satisfactory performance and adequate oversight of its subcontractors.

8. **Invest in Massachusetts Plan:** The Commonwealth encourages investment in our local economy and is committed to advancing the creation and preservation of jobs in the Commonwealth. Consequently, all responsive Bidders/Proposers must submit with their bids an *Invest in Massachusetts Data Form* (“IMD Form”). See the “Invest in Massachusetts – Instructions” Attachment for further information. Both this Attachment and the IMD Form can be found on the Comm-Pass Website at www.comm-pass.com under the “Forms & Terms” Tab for this solicitation.
9. **Certificate of Non-Collusion.** Bidders are advised that they are required to certify that the bid that they are submitting has not been arrived at because of any collusive activity.

10. **Liability Insurance.** Bidders are required to provide a proof of any liability or other insurance policy extending to any or all employees who will perform work under the contract, including the name of the insurance provider and applicable limits.

[Remainder of page intentionally left blank]

V. SCOPE OF SERVICES & PHASE TWO QUESTIONNAIRE/TECHNICAL PROPOSAL

A. SCOPE OF SERVICES

The purpose of this Request for Response is to select one or more financial institutions to provide bank liquidity services in the form of Standby Bond Purchase Agreements (SBPAs) on Commonwealth of Massachusetts general obligation variable rate demand bonds (VRDBs). The agreements may be used to replace expiring bank facilities, including the 2001 C Bonds; to provide liquidity for new variable rate demand bonds to be issued in 2014, including but not limited to the New Money Bonds; and/or to replace existing bank liquidity facilities, for instance, if a bank is downgraded or placed on negative outlook. Bids received pursuant to this RFR may support one or more of these identified needs. For the 2001 C Bonds, the existing standby bond purchase agreement is scheduled to expire on February 20, 2014, and may be extended to allow for this RFR to be completed. Any selections for needs other than the 2001 C Bonds and the New Money Bonds are subject to modification of duration and cost to reflect the Commonwealth's needs.

The Commonwealth currently maintains ratings of 'AA+' from Fitch Ratings, 'Aa1' from Moody's Investors Services, and 'AA+' from Standard & Poor's. The outlooks are stable.

Copies of the Commonwealth's Comprehensive Annual Financial Report (the "CAFR") for the Fiscal Year Ended June 30, 2012 and the Commonwealth of Massachusetts Information Statement dated November 7, 2013, as supplemented December 13, 2013 have been filed with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system. The Commonwealth also updates its disclosure every other month and the latest version can be found on EMMA. The Commonwealth expects that the CAFR for the Fiscal Year Ended June 30, 2013 will be released and filed with EMMA in the near future.

THE BONDS: A description of the 2001 C Bonds is attached hereto as Exhibit A and a description of the New Money Bonds is attached hereto as Exhibit B. The Official Statement for the 2001 C Bonds is available on the Commonwealth's website at www.massbondholder.com.

[Remainder of page intentionally left blank]

B. PHASE TWO QUESTIONNAIRE – Technical Proposal (Please respond to the applicable questions)

Standby Bond Purchase Agreement Questions

Along with the above-reference mandatory requirements, the Bidder must submit responses to the following Questionnaire (Technical Proposal).

1. *Bank Information:* Provide general information on your financial institution, including name, address, e-mail address, phone number, and fax number of the contact person who is authorized to answer questions and negotiate final terms and conditions on behalf of the financial institution.
2. *Staffing.* Please identify the personnel involved in the development of a new SBPA including negotiation of terms, credit approval, etc. Please provide a brief description of each person's role and responsibilities.
3. *Liquidity Capacity:* Identify the amount of liquidity that your financial institution can provide in support of the 2001 C Bonds and/or the New Money Bonds and/or other liquidity needs of the Commonwealth related to general obligation variable rate demand bonds.
4. *Credit Approval:* The Commonwealth would prefer that respondents obtain credit approval for this transaction prior to the submission of a proposal. Final credit approval must be completed promptly to allow for the execution of final documents and the substitution of liquidity facilities no later than January 31, 2014. Please indicate whether such approval has been obtained and if not, please indicate the timing of credit approval.
5. *Bank's Ratings:* Please provide your financial institution's long-term and short-term ratings, including outlooks, from Fitch, Moody's and Standard & Poor's for each of the last two years. Please comment on any relevant events that may cause or recently have caused any of the rating agencies to place their ratings under review or to change such ratings. Please be concise and specific; do not attach the rating reports from the rating agencies. Please also comment on any future developments relating to anticipated rating changes of which the bank has been made aware.
6. *Experience:* Please describe your institution's liquidity book and how it has changed over the past two years. Please provide the firm's market share, as a percentage of all SBPAs outstanding as of 12/1/2013.
7. *References:* Please provide references relating to three transactions closed within the past two years for which your financial institution has provided liquidity in the form of a standby bond purchase agreement for entities similar to the Commonwealth. By similar, please consider the size of the liquidity facility provided, the size of the issuer, the credit quality, the security for the bonds, and other factors. Please include issuer name, issuer contact and issuer phone number.
8. *Legal Counsel:* Indicate the law firm and primary lawyer that will represent the bank in this transaction. Please provide the name, address, phone number and e-mail of each such contact person. The Commonwealth reserves the right to request the bank to select another law firm.
9. *Information Relating to the Bank:* Please provide a copy of the financial institution's most recent audited financial statements or a link to an electronic and downloadable version of such statements. The Commonwealth expects to receive appropriate information relating to the institution for inclusion in its Official Statement relating to the Bonds.
10. *Governing Law and Venue:* The Commonwealth prefers that the laws of the Commonwealth govern the agreement, but is willing to consider the State of New York, provided that the

obligations of the Commonwealth shall be governed by laws of the Commonwealth. To the extent permitted by law, the Commonwealth only agrees to be sued with respect to any agreement awarded hereunder in New York or Massachusetts. Please indicate your willingness to accept this provision.

11. *Form of Documentation:* The Commonwealth's form Standby Bond Purchase Agreement is attached to this RFR as **Appendix A**. The Commonwealth strongly desires to enter into an agreement on the terms contained in such form. The Commonwealth reserves the right to negotiate alternate terms that it views as equally or more favorable to the Commonwealth, but will not engage in these discussions until Phase Three Review. Those Bidders selected for Phase Three Review will be asked to indicate a willingness to accept the terms contained in the Commonwealth's form agreement.

[Remainder of page intentionally left blank]

Exhibit A

**The Commonwealth of Massachusetts
General Obligation Refunding Bonds
2001 Series C
(Variable Rate Demand Bonds)**

The Series 2001 C Bonds are currently outstanding in the principal amount of \$245,880,000 and are being remarketed in the Weekly mode.

Morgan Stanley is currently the remarketing agent and U.S. Bank National Association is the tender agent for the Bonds. The Commonwealth has entered into a floating-to-fixed interest rate swap agreement associated with the 2001 C Bonds as well as the Commonwealth's 2001 Series B Refunding Bonds.

The commitment will be subject to reduction to reflect the principal amount of Bonds outstanding. The Series 2001 C Bonds are subject to mandatory sinking fund redemption in part by lot on January 1 in following years and amounts. Please note that the Commonwealth expects to award following the January 1, 2014 sinking fund payment, thus the principal amount outstanding will be **\$243,550,000**.

<u>Year</u>	<u>Sinking Fund Payment</u>
1/1/2014	\$2,330,000.00
1/1/2015	2,435,000.00
1/1/2016	30,615,000.00
1/1/2017	46,565,000.00
1/1/2018	23,680,000.00
1/1/2019	42,335,000.00
1/1/2020	49,670,000.00
1/1/2021*	48,250,000.00

* Stated Maturity

Exhibit B

**The Commonwealth of Massachusetts
\$250,000,000
General Obligation Bonds,
Consolidated Loan of 2014
Series B
(Variable Rate Demand Bonds)***

For purposes of this RFR, please use the following assumed sinking fund redemption schedule.

<u>Year*</u>	<u>Sinking Fund Payment*</u>
1/1/2024	\$25,000,000.00
1/1/2025	25,000,000.00
1/1/2026	50,000,000.00
1/1/2027	50,000,000.00
1/1/2028	50,000,000.00
1/1/2029**	50,000,000.00

*Preliminary, subject to change

** Stated Maturity

Attachment A
Mandatory Attachment Checklist
(Complete and submit with the response)

Firm Name: _____

Mandatory items as detailed in Section IV, subsection B.

(Check appropriate box to insure item is completed and submitted).

- | | |
|---|---|
| 1. Cover Letter and Executive Summary | Yes <input type="checkbox"/> (signed) |
| 2. Questionnaire – Technical Proposal (Sections V.B) | Yes <input type="checkbox"/> (completed) |
| 3. Taxpayer Identification Number and Certification (W-9) | Yes <input type="checkbox"/> (signed) |
| 4. Electronic Funds Transfer Sign Up Form | Yes <input type="checkbox"/> (signed) |
| 5. Contractor Authorized Signature Verification Form | Yes <input type="checkbox"/> (signed & notarized) |
| 6. Tax Compliance Certification | Yes <input type="checkbox"/> (certificate / proof of application) |
| 7. Treasury Supplier Diversity Program (TSDP) Plan Form | Yes <input type="checkbox"/> (completed/signed) |
| 8. Invest in Massachusetts Data (IMD) Form | Yes <input type="checkbox"/> (completed/signed) |
| 9. Certificate of Non-Collusion | Yes <input type="checkbox"/> (completed/signed) |
| 10. Liability Insurance | Yes <input type="checkbox"/> (proof of insurance) |

STANDBY BOND PURCHASE AGREEMENT

dated as of

[DATE]

between

THE COMMONWEALTH OF MASSACHUSETTS

and

[BANK]

Relating to

[BONDS]

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STANDBY BOND PURCHASE AGREEMENT

THIS STANDBY BOND PURCHASE AGREEMENT, dated as of _____, is entered into by and between THE COMMONWEALTH OF MASSACHUSETTS (the “*Commonwealth*”), and _____ (including its successors and assigns, the “*Bank*”).

WITNESSETH:

WHEREAS, the Commonwealth has previously issued its [NAME OF BONDS] (the “*Bonds*”) currently outstanding in the principal amount of \$ _____;

WHEREAS, the Bonds will bear interest at variable or fixed rates during periods to be selected by the Commonwealth from time to time and, during various interest rate modes, will be subject to optional tender for purchase and mandatory tender for purchase at times specified in the Bonds;

WHEREAS, the Commonwealth has determined to execute this Agreement in order to provide a source of funding for the purchase of Bonds which have not been remarketed by _____ (the “*Remarketing Agent*”); and

[WHEREAS, the Commonwealth had previously entered into a Standby Bond Purchase Agreement (the “*Prior Agreement*”) with _____ (“*Prior Bank*”), dated as of _____, to provide for the purchase, from time to time, by the Prior Bank of tendered or deemed tendered Bonds that were not remarketed; and

WHEREAS, the Commonwealth has determined that it is in the best interests of the holders of the Bonds to substitute the Prior Agreement with this Agreement and to provide for the purchase by the Bank on the terms and conditions specified herein of tendered or deemed tendered Bonds which cannot be remarketed; and]

WHEREAS, the Bank is willing to purchase Eligible Bonds (as hereinafter defined) tendered or deemed tendered by the holders thereof, upon the terms and conditions set forth in this Agreement on or prior to the last day of the Commitment Period (as hereinafter defined),

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. Capitalized terms used herein shall have the meanings ascribed to such terms in the Bonds. In addition, the following terms, as used herein, have the following meanings:

“*Agreement*” means this Standby Bond Purchase Agreement including any amendments hereto.

“*Alternate Liquidity Facility*” has the meaning set forth in the Bonds.

“*Authorized Denominations*” has the meaning set forth in the Bonds.

“*Available Commitment*” as to any day means the sum of the Available Principal Commitment and the Available Interest Commitment.

“*Available Interest Commitment*” initially means \$_____ which initial amount equals ___ days’ interest on the initial amount of the Available Principal Commitment based upon an assumed rate of interest of ___% per annum and a ___-day year. The Available Interest Commitment shall be adjusted from time to time as follows (a) downward by an amount that bears the same proportion to such initial amount as the amount of any reduction in the Available Principal Commitment in accordance with clause (a) or (b) of the definition herein of “Available Principal Commitment” bears to the initial Available Principal Commitment and (b) upward by an amount that bears the same proportion to such initial amount as the amount of any increase in the Available Principal Commitment in accordance with clause (c) of the definition herein of “Available Principal Commitment” bears to the initial Available Principal Commitment; *provided* that after giving effect to such adjustment the Available Interest Commitment shall never exceed \$_____. Any adjustments pursuant to clauses (a) and (b) above shall occur simultaneously with the event requiring such adjustment.

“*Available Principal Commitment*” initially means the aggregate principal of Outstanding Bonds, which is \$_____. The Available Principal Commitment shall be adjusted from time to time as follows:

- (a) Upon any reduction in the Available Principal Commitment pursuant to Section 2.03(a) hereof, downward by the amount of such reduction;
- (b) Downward by the principal amount of any Eligible Bond purchased by the Bank pursuant to Section 2.01 hereof, and
- (c) Upward by the principal amount of any Bonds previously purchased by the Bank pursuant to Section 2.01 hereof, which a Bank Bondholder elects to retain pursuant to Section 2.04(c) hereof or that are sold or deemed sold by a Bank Bondholder pursuant to Section 2.04(c) hereof and for which the Bank has received immediately available funds equal to the principal amount, plus accrued interest to the Purchase Date thereof;

provided, however, that the sum of (i) the Available Principal Commitment plus (ii) the aggregate principal amount of Bank Bonds outstanding shall never exceed \$_____. Any adjustments to the Available Principal Commitment pursuant to clauses (a), (b) or (c) hereof shall occur simultaneously with the occurrence of the events described in such clauses.

“*Bank*” has the meaning set forth in the introductory paragraph of this Agreement.

“*Bank Bondholder*” means the Bank, (but only in its capacity as owner of Bank Bonds pursuant to this Agreement) and any other Person to whom the Bank has sold Bank Bonds pursuant to Section 2.04(a) or 8.04 hereof.

“*Bank Bond Interest Payment Date*” has the meaning specified in Section 2.07(a) hereof.

“*Bank Bonds*” means any Bonds purchased by the Bank pursuant to Section 2.01 hereof.

“*Bank Business Day*” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the laws of, or in fact closed in, the Commonwealth of Massachusetts [or the State of New York].

“*Bank Interest Rate*” means, in connection with each Bank Bond, a rate of interest equal to the following: [TBD], provided, however, that at no time shall the Bank Interest Rate exceed the Maximum Lawful Rate.

“*Base Rate*” means, for any day, a fluctuating rate of interest per annum equal to [TBD]. Each determination of the Base Rate by the Bank will be conclusive and binding on the Commonwealth, absent manifest error.

“*Bond Rate*” as determined at any date, means the highest per annum rate of interest then borne by any outstanding Eligible Bonds.

“*Bond Register*” means the records maintained on behalf of the Commonwealth containing the name and mailing address of each owner of the Bonds or the nominee of such owner, and such other information as the Bond Registrar shall determine.

“*Bond Registrar*” means, initially, the Commonwealth, or any bank or banks, if any, appointed by the Commonwealth for the purposes of registering the Bonds, maintaining the Bond Register, effecting transfers of ownership of the Bonds and paying interest on the Bonds.

“*Bonds*” has the meaning set forth in the first Whereas clause to the recitals of this Agreement.

“*Business Day*” means any day except a Saturday, Sunday, any holiday or other day on which the business offices of The Commonwealth of Massachusetts are closed; any other day on which banks in New York, New York or Boston, Massachusetts are authorized or required by law to remain closed or on which the New York Stock Exchange is closed.

“*Commitment Fee*” has the meaning set forth in the Fee Letter Agreement.

“*Commitment Period*” means the period from the Effective Date to and including the earliest of (a) the Expiration Date; (b) the date on which no Eligible Bonds are otherwise Outstanding, *provided* that the Bank has received written notice thereof; (c) the date on which

the Available Commitment and the Bank's obligation to purchase Eligible Bonds have been terminated in the entirety pursuant to Section 2.03 or Section 7.02 hereof; (d) the close of business on the Business Day immediately succeeding the Conversion Date, so long as the Bank has honored any purchase of Bonds resulting from such conversion in accordance with the terms of this Agreement; and (e) the close of business on the Business Day immediately succeeding the Substitution Date, so long as the Bank has honored any purchase of Bonds resulting from such conversion in accordance with the terms of this Agreement.

"Conversion Date" means the date on which all of the Bonds have been converted to bear interest at a rate other than the Daily Rate or the Weekly Rate.

"Custodian" means _____ and its successors and assigns.

"Custody Agreement" means the Custody Agreement dated as of _____ between the Bank and the Custodian, substantially in the form of Exhibit E hereto, as amended and supplemented from time to time.

"Daily Rate" has the meaning set forth in the Bonds.

"Debt" of any Person means, at any date and without duplication, (i) all obligations of such Person for borrowed money evidenced by bonds, debentures, notes or other similar instruments (including, without limitation, principal and interest payments due to a bank in the form of reimbursement), (ii) all obligations of such Person for borrowed money not evidenced by bonds, debentures, notes or similar instruments, (iii) all obligations of such Person as lessee under capital leases which are assigned a long-term rating by each Rating Agency then rating the Bonds equal to the rating assigned by such Rating Agency to the Bonds, (iv) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business (including, without limitation, accounts payable to construction contractors and other professionals for services rendered), which are assigned a long-term rating by each Rating Agency then rating the Bonds equal to the rating assigned by such Rating Agency to the Bonds, (v) all indebtedness of others secured in full by a lien on any asset of such Person, so long as such indebtedness is assumed by such Person and such indebtedness is assigned a long-term rating by each Rating Agency then rating the Bonds equal to the rating assigned by such Rating Agency to the Bonds, (vi) all indebtedness of others guaranteed or secured in full by any of the revenues or assets of, such Person and (vii) payment obligations of such Person under any Swap Contract.

"Default" means any condition or event which constitutes an Event of Default or which, with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

"Default Rate" means [TBD]. The Default Rate shall change as and when the Base Rate changes.

"Differential Interest Amount" means the excess of (a) interest which has accrued on Bank Bonds being sold by Bank Bondholders at the Bank Interest Rate, as determined in

accordance with this Agreement through the Sale Date, *less* (b) the interest accrued on such Bank Bonds received by the Bank Bondholders as part of the Sale Price thereof.

“*Dodd-Frank Act*” means the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as enacted by the United States Congress, and signed into law on July 21, 2010, and all statutes, rules, guidelines or directives promulgated thereunder.

“*DTC*” means The Depository Trust Company.

“*Effective Date*” has the meaning set forth in Section 4.01 hereof.

“*Eligible Bonds*” means Bonds bearing interest at the Daily Rate or the Weekly Rate, and excludes (i) Bonds bearing interest at any interest rate other than the Daily Rate or the Weekly Rate, (ii) Bank Bonds, (iii) Bonds owned by, for the account of, or on behalf of, the Commonwealth and (iv) Bonds that have been removed from coverage under this Agreement by redemption, defeasance or substitution of an Alternate Liquidity Facility.

“*Event of Default*” has the meaning set forth in Section 7.01 hereof.

“*Excess Bond Interest Amount*” has the meaning set forth in Section 2.07(c) hereof.

“*Expiration Date*” means the date on which this Agreement is scheduled to expire pursuant to its terms, initially 5:00 p.m. on _____, including any extension of such date pursuant to Section 2.06 hereof; *provided* that if any such date is not a Business Day, the Expiration Date will be the immediately preceding Business Day.

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

“*Fee Letter Agreement*” means that certain Fee Letter Agreement dated as of _____, between the Commonwealth and the Bank, and any amendment thereof or replacement therefor.

“*Fitch*” means Fitch Ratings, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “*Fitch*” shall be deemed to refer to any other nationally recognized securities rating agency (other than S&P or Moody’s) designated by the Commonwealth with written notice to the Bank.

“*General Obligation Debt*” means any Debt of the Commonwealth, the payment of which is secured by the full faith and credit of the Commonwealth.

“Governmental Authority” means any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau, central bank or comparable authority.

“Immediate Termination Event” means the occurrence of any Event of Default set forth in Section 7.01(a)(i), 7.01(e), 7.01(g)(i), 7.01(i) or 7.01(j)(i).

“Indemnified Party” has the meaning set forth in Section 3.06.

“Interest Payment Date” has the meaning set forth in the Bonds.

“Interest Period” means, initially, the period commencing on the day the related Liquidity Advance was made by the Bank and expiring on the final day of the month said Liquidity Advance was made and, thereafter, shall mean a period commencing on the first day of each month during which such Liquidity Advance remains unreimbursed and ending on the last day of the same month.

“Liquidity Advance” has the meaning set forth in Section 2.02(e) hereof.

“Material Adverse Change” means the occurrence of any event or change resulting in a material and adverse change in the business, condition (financial or otherwise), operations of the Commonwealth since the last day of the period reported in the financial statements of the Commonwealth received by the Bank and described in Section 5.01(m) or received by the Bank pursuant to Section 6.01(b), whichever is later or which materially and adversely affects the enforceability of this Agreement or the Related Documents or the ability of the Commonwealth to perform its obligations hereunder or thereunder.

“Material Litigation” has the meaning set forth in Section 5.01(d).

“Maximum Lawful Rate” means the maximum interest rate permitted by applicable law.

“Moody’s” means Moody’s Investors Service, Inc. and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency (other than S&P or Fitch) designated by the Commonwealth with written notice to the Bank.

“Notice of Bank Purchase” means (a) in the case of a purchase of a Bond pursuant to an optional tender by the Owner thereof, a notice in the form of Exhibit A attached hereto and incorporated herein by this reference, or (b) in the case of a purchase of a Bond pursuant to a mandatory tender by the owner thereof, a notice in the form of Exhibit B attached hereto and incorporated herein by this reference.

“Notice of Termination” has the meaning set forth in Section 7.02(d).

“*Obligations*” means the fees relating to this Agreement and the Fee Letter Agreement, any and all obligations of the Commonwealth to repay any amounts disbursed by the Bank to purchase Eligible Bonds pursuant to the terms hereof, including the principal amount thereof and interest thereon at the Bank Interest Rate or Default Rate, as applicable, and all other monetary obligations of the Commonwealth owed to the Bank arising under or in relation to this Agreement or the Fee Letter Agreement., including but not limited to, any amounts paid by the Bank to the Custodian pursuant to the Custody Agreement that shall not have been paid by the Commonwealth.

“*Offering Document*” means _____ (including any documents incorporated therein by reference and any amendment or supplement thereto), relating to the Bonds.

“*Outstanding*” when used with reference to the Bonds, means all Bonds, except:

(a) Bonds cancelled by the Bond Registrar or surrendered to the Bond Registrar for cancellation;

(b) Bonds in lieu of or in substitution for which replacement Bonds have been executed by the Commonwealth and delivered by the Bond Registrar; and

(c) Bonds (or any portion thereof) paid or for the payment or redemption of which there shall be set aside and held in trust either:

(i) moneys in an amount sufficient to pay when due the principal or redemption price thereof, together with all accrued interest;

(ii) direct, noncallable general obligations of, or obligations the timely payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America, in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications, as are necessary to provide moneys (whether as principal or interest) in an amount sufficient to pay when due the principal or redemption price thereof, together with all accrued interest, or

(iii) any combination of (i) or (ii) above,

and, if such Bond (or portion thereof) is to be redeemed, for which notice of redemption has been given as provided in such Bond, or provision has been made for the giving of such notice. Notwithstanding the foregoing, Bank Bonds shall remain Outstanding until the Bank Bondholder is paid all amounts due on such Bonds.

“*Owner*” means the owner of a Bond as shown on the Bond Register maintained by the Bond Registrar.

“*Participant*” has the meaning set forth in Section 8.04(b) hereof.

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

“*Prime Rate*” means the rate of interest per annum from time to time announced by the Bank as its prime rate (which is not intended to be the lowest rate of interest charged by the Bank in connection with the extension of credit to its customers). Each change in the Prime Rate shall take effect at the time of such change in such prime rate.

“*Prior Agreement*” has the meaning assigned to such term in the fourth Whereas clause to this Agreement.

“*Prior Bank*” has the meaning assigned to such term in the fourth Whereas clause to this Agreement.

“*Purchase Date*” means a Business Day during the Commitment Period on which the Bank is required to purchase Eligible Bonds pursuant to Section 2.02 hereof.

“*Purchase Notice*” has the meaning set forth in Section 2.04(b) hereof.

“*Purchase Price*” means, with respect to any Eligible Bond, the unpaid principal amount thereof, but in no event to exceed the Available Principal Commitment, plus accrued, but unpaid, interest thereon from the prior Interest Payment Date to but excluding the Purchase Date thereof, in each case without premium; *provided* that accrued interest will not be taken into account in the computation of the Purchase Price if the applicable Purchase Date is an Interest Payment Date; *provided, further*, that the aggregate interest component of the Purchase Price shall not exceed the Available Interest Commitment.

“*Purchaser*” has the meaning specified in Section 2.04(b).

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

“*Related Documents*” means this Agreement, the Remarketing Agreement, the Offering Document, the Bonds, the Fee Letter Agreement, the Tender Agent Agreement and the Custody Agreement and all agreements, certificates and other instruments executed and delivered by any Person in connection therewith and any other document or instrument related thereto or issued thereunder, as the same may be amended or modified from time to time in accordance with their respective terms and the terms hereof..

“*Remarketing Agent*” means each or any remarketing agent, as the context may require, at the time serving as such under a Remarketing Agreement, as amended and supplemented pursuant to the terms thereof and hereof. As of the Effective Date, the Remarketing Agent is

_____.

“*Remarketing Agreement*” means an agreement of that name between the Commonwealth and the Remarketing Agent, as amended from time to time with the consent of the Bank, which consent shall not be unreasonably withheld.

“*Remarketing Period End Date*” has the meaning specified in Section 2.07(b).

“*Replacement Bank*” means the issuer of an Alternate Liquidity Facility.

“*S&P*” means Standard & Poor’s Ratings Service, a Standard & Poor’s Financial Services LLC business, a division of McGraw-Hill Corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “*S&P*” shall be deemed to refer to any other nationally recognized securities rating agency (other than Moody’s or Fitch) designated by the Commonwealth with written notice to the Bank.

“*Sale Date*” has the meaning specified in Section 2.04(b) hereof.

“*Sale Price*” has the meaning specified in Section 2.04(b) hereof.

“*Security*” means the general obligation of the Commonwealth to which the full faith and credit of the Commonwealth are pledged, subject to the Commonwealth’s state tax revenue growth limit.

“*Substitution Date*” means the date on which an Alternate Liquidity Facility is to be substituted for this Agreement.

“*Suspension Event*” means the occurrence of an event which causes the suspension of the obligation of the Bank to purchase Bonds pursuant to Section 7.02(b) hereof.

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

“*Taxes*” has the meaning set forth in Section 3.03(b) hereof.

“*Tender Agent*” means _____ and its successors and assigns.

“*Tender Agent Agreement*” means the Tender Agent Agreement dated as of _____, between the Commonwealth and the Tender Agent, as amended and supplemented from time to time pursuant to the terms thereof and hereof.

“*Weekly Rate*” has the meaning set forth in the Bonds.

Section 1.02. Incorporation of Certain Definitions by Reference. Each capitalized term used herein and not otherwise defined herein shall have the meaning provided therefor in the Bonds, unless the context otherwise requires.

Section 1.03. Accounting Matters. All accounting terms used herein without definition shall be interpreted in accordance with generally accepted accounting principles, consistently applied, and, except as otherwise expressly provided herein, all accounting determinations required to be made pursuant to this Agreement shall be made in accordance with generally accepted accounting principles, consistently applied.

Section 1.04. Interpretation. All words used herein shall be construed to be of such gender or number as the circumstances require. Reference to any document means such document as amended or supplemented from time to time as permitted under their respective terms and the terms hereof. Reference herein to an Article, Exhibit or Section shall constitute a reference to such Article, Exhibit or Section of or to this Agreement unless otherwise specified.

Section 1.05. Computation of Time Periods. In this Agreement, in the computation of a period of time from a specified date to a later specified date, unless otherwise specified herein, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding.”

Section 1.06. New York City Time Presumption. All references herein to times of the day shall be presumed to refer to New York City time unless otherwise specified.

ARTICLE II

COMMITMENT TO PURCHASE BONDS

Section 2.01. Commitment to Purchase Bonds. Subject to the terms and conditions of this Agreement, the Bank hereby agrees from time to time during the Commitment Period to extend credit to the Commonwealth through the purchase, with the Bank’s own funds, of Eligible Bonds, at the Purchase Price on a Purchase Date. The aggregate principal amount (or portion thereof in Authorized Denominations) of any Eligible Bonds purchased on any Purchase Date shall not exceed the Available Principal Commitment (calculated in each case, without giving effect to any purchase of Eligible Bonds by the Bank on such date) at [12:00 noon] on such Purchase Date. The portion of the Purchase Price corresponding to accrued interest, if any, on the eligible Bonds purchased on any Purchase Date shall not in the aggregate exceed the lesser of (i) the Available Interest Commitment with respect to such Eligible Bonds on such date and (ii) the actual amount of interest accrued and unpaid on such Eligible Bonds to _____ excluding such date. Any Eligible Bonds so purchased shall thereupon constitute Bank Bonds

and shall, from the date of such purchase and while they are Bank Bonds, bear interest at the Bank Interest Rate and have other characteristics of Bank Bonds as set forth herein and in the Bonds.

Section 2.02. Method of Purchasing. (a) Subject to the terms and conditions of this Agreement, on any Business Day during the Commitment Period, the Bank shall pay the Purchase Price of Eligible Bonds tendered or deemed tendered in accordance with their terms upon receipt by the Bank on or before [12:00 noon], on such Business Day of a written Notice of Bank Purchase in the form of Exhibit A or Exhibit B, as the case may be, completed on the Tender Agent's letterhead and signed by one purporting to be the Tender Agent's duly authorized signatory and upon satisfaction of the conditions provided in Section 4.02 hereof. Presentation of the Notice of Bank Purchase shall be made (i) at the Bank's address as set forth on Exhibit D or at any other place as shall be designated by the Bank by written notice delivered to the Tender Agent or (ii) in the form of a teletype sent to the Bank's teletype number and to the attention of the person set forth in Exhibit D, or such other number as shall be designated by the Bank by written notice delivered to the Tender Agent. Any such presentation of a teletype shall be confirmed by telephone and delivery of the Notice of Bank Purchase immediately following any teletype presentation, but the failure to confirm the teletype will not affect the validity of any such communication by teletype.

(b) If the Bank receives a Notice of Bank Purchase (i) in the form of Exhibit A in connection with an optional tender of Eligible Bonds, or (ii) in the form of Exhibit B in connection with a mandatory purchase of Eligible Bonds, at or before [12:00 noon], on a Business Day during the Commitment Period, and subject to satisfaction of the conditions provided in Section 4.02 as of such Business Day, the Bank will transfer to the Tender Agent on such Purchase Date on or before 2:30 p.m. in immediately available funds, an amount equal to the aggregate Purchase Price of such Eligible Bonds.

(c) If the Bank receives a Notice of Bank Purchase (i) in the form of Exhibit A in connection with an optional tender of Eligible Bonds, or (ii) in the form of Exhibit B in connection with a mandatory purchase of Eligible Bonds, after 12:00 noon, on a Business Day during the Commitment Period, and subject to satisfaction of the conditions provided in Section 4.02 as of such Business Day, the Bank will transfer to the Tender Agent at or before 2:30 p.m. on the immediately following Business Day, in immediately available funds, an amount equal to the aggregate Purchase Price of Eligible Bonds tendered or deemed tendered on such date.

(d) The Commonwealth agrees that the Bank shall have no responsibility for, nor incur any liability in respect of, any act, or any failure to act, by the Tender Agent which results in the failure of the Tender Agent to effect the purchase of Eligible Bonds for the account of the Bank with funds paid by the Bank pursuant to this Section 2.02 and as set forth in the Bonds. The parties hereto understand and agree that the Bank's only responsibilities under this Agreement are to purchase Eligible Bonds in accordance with this Agreement and the Bonds and to perform certain other administrative duties, and the parties hereto intend that neither the Bank nor its directors, officers, employees or duly authorized agents shall be liable or responsible to third parties for any action or inaction under this Agreement other than actions or inactions of the

Bank constituting a grossly negligent or willful failure to purchase Eligible Bonds in accordance with the terms of this Agreement.

(e) Each payment by the Bank of the Purchase Price of any Eligible Bonds shall constitute an advance to the Commonwealth (each such advance being a “*Liquidity Advance*” and collectively the “*Liquidity Advances*”) bearing interest at the Bank Interest Rate from time to time in effect, payable as set forth herein. The accrued interest component, if any, included in the Purchase Price for such Eligible Bond shall be due and payable to the Bank on the Interest Payment Date immediately following the Purchase Date on which such Bond became a Bank Bond. Each Liquidity Advance, and the accrued interest thereon, shall be paid by or on behalf of the Commonwealth on the earliest to occur of (i) the date on which any Bank Bonds purchased with funds disbursed in connection with such Liquidity Advance are redeemed, defeased or otherwise repaid in accordance with their terms, including without limitation, as provided in Section 2.07(b) hereof, (ii) the date of the remarketing of the Bank Bonds relating to such Liquidity Advance, (iii) the date on which any Bank Bonds purchased with the funds disbursed in connection with such Liquidity Advance mature in accordance with their terms or are earlier payable in full pursuant to Section 2.07(b), (iv) the date on which an Immediate Termination Event occurs, (v) the Conversion Date, or (vi) the Substitution Date.

(f) Eligible Bonds purchased pursuant to this Article II shall be registered by the Tender Agent in the name of the Bank Bondholder in accordance with paragraph 2 of the Custody Agreement, or, if directed in writing by the Bank Bondholder, its nominee or designee, and shall be promptly delivered by the Tender Agent to be held as Bank Bonds under this Agreement or as the Bank Bondholder may otherwise direct in writing, and prior to such delivery shall be held in trust by the Tender Agent for the benefit of the Bank Bondholder in accordance with paragraph 2 of the Custody Agreement. If the Bonds are in book entry only form with DTC, Bank Bonds shall be held by the Tender Agent in its DTC participant account for the benefit of the Bank Bondholder in accordance with paragraph 2 of the Custody Agreement. Amounts made available hereunder which are not so used to purchase Bonds will be returned to the Bank by the Tender Agent on the applicable date of payment by the Bank, and the Available Commitment shall not be reduced pursuant to clause (b) of the definition of Available Commitment by the amount drawn but so returned.

Section 2.03. Reductions of Available Commitment. (a) Mandatory Termination. (i) Following any redemption, repayment, defeasance or other payment or deemed payment of less than all of the principal amount of the Bonds, the aggregate Available Commitment shall be reduced upon receipt by the Bank of written notice of such occurrence from the Commonwealth by the principal amount of the Bonds so redeemed, repaid, defeased or otherwise paid or deemed paid, as specified in such written notice.

(ii) Upon the redemption, repayment, defeasance or other payment or deemed payment of the principal amount of all of the Bonds, the Available Commitment shall automatically terminate upon the receipt by the Bank of written notice of such occurrence from the Commonwealth.

(b) *Voluntary Termination.* Upon fifteen (15) days' written notice to the Bank and the Tender Agent, subject to the terms of the Fee Letter Agreement, the Commonwealth may terminate this Agreement at any time prior to the Expiration Date. In connection with such termination, the Commonwealth shall pay or cause to be paid all Obligations, including without limitation, all principal and interest evidenced by Bank Bonds and all amounts due and payable payable under Article III hereof, at or prior to the time of termination.

(c) *Alternate Liquidity Facility or Conversion.* Upon compliance with the conditions of the Bonds regarding delivery of an Alternate Liquidity Facility or a Conversion and the payment by the Commonwealth of all Obligations due hereunder and under the Fee Letter Agreement, the Tender Agent shall, provided the Bank is neither holding or required to acquire any Bonds, terminate this Agreement by giving the Bank (after five (5) days have elapsed since the satisfaction of the foregoing conditions) notice in writing to such effect; *provided, however,* that in the case of the delivery of an Alternate Liquidity Facility: (i) the Replacement Bank shall agree, in a manner acceptable to the Bank, to purchase on the Substitution Date any Bank Bonds, not otherwise remarketed, held by or on behalf of the Bank at the Purchase Price, and (ii) on the Substitution Date, the Commonwealth and/or such Replacement Bank shall pay all other Obligations owing to the Bank hereunder (including Article III hereof). The Available Commitment shall automatically terminate on the expiration of the Commitment Period.

Section 2.04. Sale of Bank Bonds.

(a) *Right to Sell Bank Bonds.* The Bank expressly reserves the right to sell, at any time, Bank Bonds, subject, however, to the express terms of this Agreement and the Bonds. The Bank agrees to promptly notify the Remarketing Agent of any such sale (other than a sale made pursuant to Section 2.04(c)) and to notify the transferee that such Bond is not an Eligible Bond so long as it remains a Bank Bond and that there is not a short-term investment rating assigned to such Bond so long as it remains a Bank Bond. Any Bank Bondholders shall be deemed to have agreed not to sell such Bank Bond to any Person except the Bank or to an institutional investor or other person which customarily purchases commercial paper or tax-exempt securities in large denominations or a Purchaser identified by the Remarketing Agent pursuant to Section 2.04(b) and shall be deemed to have agreed to sell such Bond to a Purchaser identified by the Remarketing Agent in a Purchase Notice as described in Section 2.04(b). Each seller of a Bank Bond to any Person other than a Purchaser identified by the Remarketing Agent pursuant to Section 2.04(b) shall notify the Remarketing Agent of the identity of the new Bank Bondholder purchasing such Bank Bond and shall require such new Bank Bondholder to agree to sell such Bank Bonds as provided in the preceding sentence and to agree not to otherwise sell its Bank Bonds.

(b) *Purchase Notices.* On any Business Day on which a Bank Bondholder holds Bank Bonds, unless the Bank shall have delivered a Notice of Termination pursuant to Section 7.02(c) hereof, the Remarketing Agent may deliver a notice (a "*Purchase Notice*") to a Bank Bondholder and the Commonwealth, at their respective addresses as shown on the Bond Register or in Exhibit D hereof, as applicable, stating that all or a portion of such Bank Bonds (in Authorized Denominations) will be sold to a purchaser (the "*Purchaser*") at a price equal to the principal amount thereof plus the accrued interest thereon at the rate for the applicable Mode

specified in such Bonds (and not at the Bank Interest Rate), if any, as of the date specified in such Purchase Notice as the date (the “*Sale Date*”) such sale is to occur; *provided, however*, that the Sale Date shall not be prior to the Business Day next succeeding the Business Day on which the Bank receives a Purchase Notice prior to [12:00 noon]. The principal amount of the Liquidity Advance made by the Bank in connection with the Bank Bonds to be sold (to the extent not previously paid to the Bank Bondholder by the Commonwealth) plus such interest accrued to the Sale Date (to the extent not previously paid to the Bank Bondholder by the Commonwealth) shall be the “*Sale Price*”. The Differential Interest Amount relating to such Bank Bonds shall be paid to the Bank by the Commonwealth on the Sale Date.

(c) *Sale of Bank Bonds.* If a Bank Bondholder elects, at its sole option, to sell any Bank Bonds to any Purchaser, it shall give notice of such election to the Tender Agent and the Remarketing Agent at or before 4:00 p.m. on the Business Day preceding the Sale Date. If a Bank Bondholder elects, at its sole option, not to sell any Bank Bonds to any Purchaser, it shall give notice of such election to the Tender Agent and the Remarketing Agent at or before 4:00 p.m. on the Business Day next preceding the Sale Date. In the event no such notice is timely delivered by a Bank Bondholder such Bank Bondholder shall be deemed to have elected to sell such Bank Bonds to a Purchaser. If a Bank Bondholder elects, or is deemed to have elected, to sell such Bank Bonds to a Purchaser, such Bank Bondholder shall deliver such Bank Bonds to the Remarketing Agent by 1:00 p.m. on the Sale Date against receipt by the Bank Bondholder of the Sale Price therefor in immediately available funds and such Bond shall thereupon no longer be considered a Bank Bond. Any sale of a Bank Bond (or portions thereof) pursuant to this Section 2.04 shall be without recourse to the Bank and without representation or warranty of any kind. In the event that a Bank Bondholder fails to deliver its Bond as described in the preceding sentence, the Bank Bondholder shall be deemed to have so delivered its Bond and the Remarketing Agent and the Commonwealth shall deliver the Sale Price therefor to the Tender Agent to be held in trust for the benefit of such Bank Bondholder pending the surrender of the Bank Bond by such Bank Bondholder. Upon delivery of such Sale Price by the Remarketing Agent to the Tender Agent such Bank Bond shall no longer be Outstanding. When Bank Bonds are purchased or deemed purchased in accordance with this Section 2.04(c), the Remarketing Agent shall, upon receipt of such Bank Bonds and upon receipt by the Bank or such Bank Bondholder of the Sale Price, notify the Tender Agent that such Bonds are no longer Bank Bonds. If a Bank Bondholder notifies the Remarketing Agent at or before 4:00 p.m. on the Business Day before the Sale Date that it will not sell its Bank Bonds, the Remarketing Agent shall notify the Tender Agent and such Bank Bondholders that as of the Sale Date such Bonds shall no longer be considered Bank Bonds.

Section 2.05. Rights of Bank Bondholders. Unless and until a Bank Bond is remarketed pursuant to the Remarketing Agreement and the Tender Agent Agreement, and further subject to the right of the Bank pursuant to Sections 2.04(a) and 8.04 hereof, Bank Bonds will be held by Bank Bondholders until paid in full or redeemed in accordance with the terms of the Bonds and this Agreement. Upon purchasing Bank Bonds, Bank Bondholders shall be entitled to and, where necessary, deemed assigned all rights and privileges accorded owners of Bonds that are not Bank Bonds, except to the extent the Bonds and/or this Agreement provide to the Bank or the Bank Bondholders rights, privileges or obligations that are not applicable to owners in general, and except to the extent such rights and privileges conflict with this Agreement in which case the

terms of this Agreement shall prevail and govern. The Bank shall, upon receipt of written request, notify the Remarketing Agent, of the number of Bank Bonds that it is holding. During any period in which there are Bank Bonds Outstanding, the Bank shall notify the Remarketing Agent two (2) Business Days prior to the following Interest Payment Date of the Bank Interest Rate in effect for such Bank Bonds from time to time during that period, *provided* that the failure of the Bank to so notify the Remarketing Agent shall not otherwise limit or nullify the obligation of the Commonwealth to pay interest at the Bank Interest Rate when due.

Section 2.06. Extension of Commitment Period. The Expiration Date may be extended an unlimited number of times, in each case in the manner set forth in this Section 2.06. Upon receipt of written request of the Commonwealth substantially in the form of Exhibit C hereto to extend the Expiration Date (received no earlier than one hundred twenty (120) days prior to the Expiration Date and not less than sixty (60) days prior to the Expiration Date), the Bank will notify the Commonwealth and the Remarketing Agent of its response within thirty (30) days of receipt of the request therefor (the Bank's decision to be made in its sole discretion and on such terms and conditions as to which the Bank and the Commonwealth may agree). Absent receipt of written confirmation of extension, the written request of the Commonwealth shall be deemed denied. Any extension of this Agreement will be deemed to be on the existing terms of this Agreement unless the Bank and the Commonwealth have entered into a writing confirming a change in any term of this Agreement.

Section 2.07. Bank Bonds. (a) The Commonwealth agrees that Bank Bonds shall bear interest at a rate per annum equal to the Bank Interest Rate from time to time in effect. The Commonwealth agrees that interest with respect to any Bank Bonds shall be payable monthly in arrears on the first Business Day of each calendar month, at maturity, on the date of any redemption, and on the Conversion Date (each, a "*Bank Bond Interest Payment Date*"). To the extent the Bank receives payment of principal of and interest on any Bank Bond, the Liquidity Advance made in connection with the purchase of such Bank Bond shall be deemed reduced pro tanto, with the Bank crediting any interest payment on the Bank Bond received by it first, to the payment of interest on the Liquidity Advance and then to the payment of principal on such Liquidity Advance, and crediting any principal repayment received on the Bank Bond to the principal of such Liquidity Advance. The Bank shall use commercially reasonable efforts to notify the Commonwealth of the amount of accrued interest at the Bank Interest Rate on the Business Day next preceding the date on which such amount is due, *provided* that the failure of the Bank to so notify the Commonwealth shall not otherwise limit or nullify the obligation of the Commonwealth to pay interest at the Bank Interest Rate when due..

(b) The Commonwealth agrees that Bank Bonds purchased by the Bank on any date shall be subject to mandatory redemption on last day of the Commitment Period (the "*Remarketing Period End Date*"); *provided, however*, that if on the Remarketing Period End Date (i) no Default or Event of Default has occurred and is continuing and (ii) the representations and warranties of the Commonwealth set forth in Article V of this Agreement are true and correct in all material respects on and as of such Remarketing Period End Date, the Commonwealth may, by written notice received by the Bank prior to the Remarketing Period End Date, elect to cause such Bank Bonds to be redeemed in equal semi-annual installments, each such installment being equal to 1/10th of the principal amount of the Bank Bonds so

purchased, the first such installment being payable on the first Business Day of sixth full month after the Remarketing Period End Date, and subsequent semi-annual payments being due on the first Business Day of the month falling each six months thereafter, with the entire principal amount being due in full no later than the earliest of (i) the fifth anniversary of the Remarketing Period End, (ii) the Conversion Date, (iii) the Substitution Date, and (iv) the date that the Available Commitment is permanently reduced to zero, with no possibility for any reinstatement in accordance with the terms of this Agreement, or the Bank's obligations under this Agreement are otherwise terminated prior to the Expiration Date for any reason, including, without limitation, the occurrence of an Event of Default. The annual amount to be redeemed, determined as of the date of acquisition, shall be rounded upward or downward, as appropriate, if necessary, to the nearest \$100,000.

(c) If the amount of interest payable to a Bank Bondholder in respect of Bank Bonds for any interest payment period ending on any Bank Bond Interest Payment Date calculated in accordance with the provisions of Section 2.07(a) above exceeds the amount of interest that would be payable for such period had interest for such period been calculated at the Maximum Lawful Rate, then interest on Bank Bonds for such period shall accrue at the Maximum Lawful Rate for such interest payment period and shall be payable in an amount determined accordingly. The amount of interest that would have accrued and been payable on Bank Bonds for any interest payment period in accordance with Section 2.07(a) above, calculated without regard to the immediately preceding sentence, in excess of the amount actually accrued on such Bank Bonds for such interest payment period, in accordance with the preceding sentence, shall, taking the preceding sentence into account, until paid as provided in this subsection, constitute the "Excess Bond Interest Amount." So long as any Excess Bond Interest Amount exists, Bank Bonds shall, to the extent permitted by applicable law, for the current and each subsequent interest period (or portion thereof), bear interest at the Maximum Lawful Rate, rather than the Bank Interest Rate, until the date on which the amount of interest accrued and paid on Bank Bonds equals the amount of interest which would have accrued thereon if interest had been calculated at the Bank Interest Rate without regard to the limitation described in the first sentence of this Section 2.07(c). In the event that at any time there are no Bank Bonds outstanding and at which there exists any Excess Bond Interest Amount, the Commonwealth shall, to the extent permitted by applicable law, pay to such Bank Bondholder, an additional fee equal to the Excess Bond Interest Amount, *provided* that no such amount shall be paid to the extent payment thereof would violate applicable usury law or law governing maximum interest rates.

Section 2.08. Bank Records. All transactions relating to the Available Commitment and Bank Bonds including, without limitation, redemptions, repayments, interest charges and reductions in the amount of the Available Commitment shall be reflected in the books and records of the Bank, which records shall be conclusive and binding upon the Commonwealth absent manifest error; *provided, however,* the failure to record amounts owed to the Bank pursuant to this Agreement or the Bank Bonds shall not limit or otherwise affect the Commonwealth's obligation to pay such amounts.

Section 2.09. Method of Payment, Etc. All payments to be made by the Commonwealth under this Agreement shall be made at the Bank's address set forth in Exhibit D or any other place designated in writing by the Bank, not later than 2:00 p.m. on the date when due and shall

be made in lawful money of the United States of America in freely transferable and immediately available funds. If any such payment is received by the Bank after 2:00 p.m., it shall be deemed to have been paid on the next succeeding Business Day.

Section 2.10. General Obligation. The obligation of the Commonwealth to repay Liquidity Advances through repayment of Bank Bonds at the Bank Interest Rate constitutes a general obligation of the Commonwealth to which the full faith and credit of the Commonwealth are pledged on a parity with all other General Obligation Debt of the Commonwealth. The other Obligations of the Commonwealth under this Agreement and the Fee Letter Agreement also constitute general obligations of the Commonwealth, subject to the fact that legislative appropriation may be required for the payment thereof.

ARTICLE III

FEES, COSTS, EXPENSES, PAYMENTS AND INDEMNIFICATION

Section 3.01. Fees. The Commonwealth shall pay to the Bank a non-refundable Commitment Fee at the times and in the amounts as set forth in the Fee Letter Agreement. The Commonwealth shall also pay to the Bank all other fees at the times and in the amounts set forth in the Fee Letter Agreement, including, without limitation, any applicable termination fee or reduction fee.

Section 3.02. Increased Cost of Maintaining the Commitment and Reduced Return. If the Bank shall have determined that, after the Effective Date, the adoption of any applicable law, rule, regulation, policy, guideline or directive, or any change in the interpretation, promulgation, implementation or administration thereof by any Governmental Authority charged with the interpretation or administration thereof including, without limitation, all requests, rules, guidelines or directives issued or promulgated after the Effective Date in connection with the Dodd-Frank Act, or promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) or the United States financial regulatory authorities, or compliance by the Bank with any request, rule, guideline or directive of any such authority, central bank or comparable agency, has or would:

(a) limit the deductibility of interest on funds obtained by the Bank to pay any of its liabilities or subject the Bank to any tax, duty, charge, deduction or withholding on or with respect to payments relating to the Bonds or this Agreement, or any amount paid or to be paid by the Bank pursuant to this Agreement (other than any tax measured by or based upon the overall net income or gross receipts of the Bank imposed by any jurisdiction having control over the Bank);

(b) impose, modify, require, make or deem applicable to the Bank any reserve requirement, capital requirement, special deposit requirement, insurance assessment or similar requirement against any assets held by, deposits with or for the account of, or loans, letters of credit, standby bond purchase agreements or commitments by, an office of the Bank;

(c) change the basis of taxation of payments due the Bank under this Agreement or the Bonds (other than by a change in taxation of the overall net income or gross receipts of the Bank);

(d) impose upon the Bank any other condition with respect to any amount paid or payable to or by the Bank or with respect to this Agreement or any of the other Related Documents;

and the result of any of the foregoing is to increase the cost to the Bank of making any Liquidity Advance or maintaining its commitment hereunder, or to reduce the amount of any payment (whether of principal, interest or otherwise) receivable by the Bank, or to reduce the rate of return on the capital of the Bank or to require the Bank to make any payment on or calculated by reference to the gross amount of any sum received by it, in each case by an amount which the Bank in its reasonable judgment deems material, then:

(i) the Bank shall promptly notify the Commonwealth in writing of such event;

(ii) the Bank shall promptly deliver to the Commonwealth a certificate stating the change which has occurred or the reserve requirements or other costs or conditions which have been imposed on the Bank or the request, direction or requirement with which it has complied, together with the date thereof, the amount of such increased cost, reduction or payment and a reasonably detailed description of the way in which such amount has been calculated, and the Bank's determination of such amounts, absent fraud or manifest error, shall be conclusive; and

(iii) the Commonwealth shall pay to the Bank, from time to time as specified by the Bank in accordance with the terms of this Agreement, such an amount or amounts as will compensate the Bank for such additional cost, reduction or payment.

The protection of this Section 3.02 shall be available to the Bank regardless of any possible contention of invalidity or inapplicability of the law, regulation or condition which has been imposed; *provided, however*, that if it shall be later determined by the Bank that any amount so paid by the Commonwealth pursuant to this Section 3.02 is in excess of the amount payable under the provisions hereof, the Bank shall refund such excess amount to the Commonwealth within thirty (30) days after such determination. This Section 3.02 shall survive the termination of this Agreement.

Section 3.03. Payments.

(a) *Method and Place of Payment.* Except as otherwise specifically provided herein all payments of principal of and interest on Bank Bonds shall be paid by wire transfer to the Bank Bondholder thereof, and all amounts payable under this Agreement shall be made to the Bank, not later than 2:00 p.m., on the date when due and shall be made in immediately available funds. The Bank shall use its best efforts to give written instructions to the Tender Agent not less than one Business Day before the date of such payment as to which Bank Bonds will be paid and the

identities of the Bank Bondholders thereof. Whenever any payment to be made with respect to Bank Bonds or hereunder shall be stated to be due on a day which is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal (other than a payment of principal of Bank Bonds at maturity or earlier redemption), interest shall be payable at the applicable rate during such extension. Whenever any payment to be made by the Commonwealth under Bank Bonds at maturity or earlier redemption shall be stated to be due on a day which is not a Business Day, the date for payment thereof shall be extended to the next succeeding Business Day and interest shall be payable at the aggregate rate during such extension.

(b) *Net Payments.* All payments of Bank Bonds and all payments made by the Commonwealth hereunder will be made without set-off, counterclaim or other defense. All such payments will be made free and clear of, and without deduction or withholding for, any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature now or hereafter imposed by any jurisdiction or by any political subdivision or taxing authority thereof or therein (but excluding any business and occupation taxes, withholding taxes or any tax imposed on or measured by the net income of the Bank pursuant to the laws of the jurisdiction (whether federal or state) or any political subdivision or taxing authority thereof or therein in which the principal office of the Bank is located) and all interest, penalties or similar liabilities with respect thereto (collectively, "*Taxes*"). If any Taxes are so levied or imposed, the Commonwealth agrees to pay to the Bank the full amount of the Taxes as may be necessary so that every payment of all amounts due with respect to the Bank Bonds or hereunder, after withholding or deduction for or on account of any Taxes, will not be less than the amount provided for with respect to the Bank Bonds or herein. To the extent the Bank is notified by any jurisdiction, political subdivision or taxing authority of the levy or imposition of Taxes upon the Bank, the Bank will promptly furnish notice to the Commonwealth of the amount and due date of any such Taxes levied or imposed; *provided* that the failure of the Bank to so provide such notice shall not limit or nullify the obligation of the Commonwealth to pay such amounts. To the extent permitted by law, the Commonwealth will hold the Bank harmless, and reimburse the Bank upon its written request, for the amount of any Taxes so levied or imposed and paid by the Bank.

(c) *Interest Computations.* All computations of fees payable by the Commonwealth under this Agreement or the Fee Letter Agreement shall be made on the basis of a three hundred sixty (360) day year and actual days elapsed. All computations of interest due on Obligations (including, without limitation, Bank Bonds) shall be made on the basis of a three hundred sixty-five (365) day year over the actual number of days elapsed.

Section 3.03. Expenses, Documentary Taxes. The Commonwealth shall pay (a) reasonable fees and expenses actually incurred by the Bank, and (b) actual legal costs related to the Bank's legal counsel in connection with the preparation, execution and delivery of this Agreement and for Related Documents as set forth in the Fee Letter Agreement. To the extent permitted by law (and without duplication of any other fees, costs or expenses payable by the Commonwealth under this Article III) the Commonwealth shall indemnify the Bank against any transfer taxes, documentary taxes, assessments or charges made by any Governmental Authority (other than taxes imposed, directly or indirectly upon the Bank by reference to the Bank's

income) by reason of the execution and delivery of this Agreement or any Related Document or the purchase of the Bonds by the Bank pursuant to this Agreement. The Commonwealth shall pay to the Bank all reasonable fees and expenses (including, without limitation, reasonable attorneys' fees and disbursements) that may be incurred by the Bank in connection with any Event of Default and/or the enforcement of any rights of the Bank consequent thereon.

Section 3.04. Interest on Overdue Payments. The Commonwealth shall pay or cause to be paid interest at the Default Rate in effect from time to time on overdue amounts payable by the Commonwealth hereunder including any accrued and unpaid interest on Bank Bonds. Such interest shall be payable on written demand of the Bank. If at any time an Event of Default has occurred and is continuing, the principal amount of any Bank Bond, or any other Obligation of the Commonwealth under this Agreement or the Bank Bonds (including, to the extent permitted by law, any interest payment required thereunder) shall bear interest from the date such principal amount or other Obligation, as the case may be, was due until paid in full (after as well as before judgment) at the Default Rate, such interest to be payable on demand.

Section 3.05. Indemnification. In addition to any and all rights of reimbursement, indemnification, subrogation or any other rights pursuant hereto or under law or equity, the Commonwealth agrees, to the extent permitted by law, to indemnify and hold harmless each of the Bank, each Participant and their respective officers, directors, employees, affiliates and agents (each an "*Indemnified Party*") from and against any and all claims, damages, losses, liabilities, reasonable costs or expenses whatsoever that an Indemnified Party, or any of them, may incur (or which may be claimed against an Indemnified Party, or any of them, by any Person whatsoever) that arises out of the transactions contemplated by this Agreement or the Related Documents, including, without limitation, (a) the issuing, offering, sale, remarketing or resale of the Bonds (including, without limitation, by reason of any untrue statement or alleged untrue statement of any material fact contained or incorporated by reference in the Offering Document or any other offering circular or document used in connection therewith, or in any supplement or amendment thereof, or the omission or alleged omission to state therein a material fact necessary to make such statement, in the light of the circumstances under which they are or were made, not misleading or the failure to deliver the Offering Document or any other offering circular or document to any offeree or purchaser of Bonds but excluding any information included in the Offering Document or such other offering circular relating to the Bank and provided by the Bank for inclusion therein), (b) the execution, delivery and performance of, or payment or failure to pay under, this Agreement and (c) the use of the proceeds of the sale of the Bonds or any amounts drawn under this Agreement; *provided, however*, that the Commonwealth shall not be required to indemnify any Indemnified Party for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of such Indemnified Party, as applicable. If any proceeding shall be brought or threatened against an Indemnified Party by reason of or in connection with the events described above (and except as otherwise provided above), such Indemnified Party shall promptly notify the Commonwealth in writing and the Commonwealth shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the Bank and the payment of all costs of litigation. Notwithstanding the preceding sentence, such Indemnified Party shall have the right to employ its own counsel and to determine its own defense of such action in any such case, but the fees and expenses of such counsel shall be at the expense of such

Indemnified Party unless (i) the employment of such counsel shall have been authorized in writing by the Commonwealth or (ii) the Commonwealth, after due notice of the action, shall have failed to employ counsel to take charge of such defense, in either of which events the reasonable fees and expenses of counsel for such Indemnified Party shall be borne by the Commonwealth. The Commonwealth shall not be liable for any settlement of any such action effected without its consent. The provisions of this Section 3.06 shall survive the termination of this Agreement and the payment in full of the Bank Bonds and the other Obligations of the Commonwealth hereunder.

ARTICLE IV

CONDITIONS

Section 4.01. Conditions to Effectiveness of this Agreement. This Agreement shall become effective on the date (the “*Effective Date*”) on which the following conditions are performed to the satisfaction of the Bank and its special counsel:

- (a) counterparts of this Agreement and the Fee Letter Agreement shall have been duly executed and delivered by the Commonwealth and the Bank;
- (b) the Bank shall have received (i) an executed original of the Custody Agreement and (ii) true, correct and complete copies of the Remarketing Agreement, the Bonds and the Tender Agent Agreement;
- (c) the Bank shall have received the opinion of _____ (“*Bond Counsel*”), as to the enforceability of this Agreement and the Fee Letter Agreement;
- (d) the Bank shall have received a copy of the approving opinion of _____ dated as of _____ and a reliance letter addressed to the bank and dated the Effective Date with respect to such approving opinion;
- (e) the Bank shall have received a conformed copy of the Offering Document;
- (f) the Bank shall have received a certificate from the Tender Agent containing the names and specimen signatures of those officers authorized to execute documents on behalf of the Tender Agent;
- (g) the Bank shall have received all documents that it may reasonably request relating to the existence of the Commonwealth and the legal authority for and the validity, binding effect and enforceability of this Agreement and the Related Documents, the tax-exempt status of interest on the Bonds and any other matters relevant hereto or thereto, all in form and substance satisfactory to the Bank;
- (h) no Default or Event of Default shall have occurred and be continuing on the Effective Date and neither will result from the execution or delivery of this Agreement by the Commonwealth;

(i) the representations and warranties of the Commonwealth contained (or incorporated by reference) in this Agreement and in any Related Document shall be true and correct in all material respects on and as of the Effective Date as if made on and as of such date;

(j) there has been no change in law, rule or regulation (or the interpretation of any such law, rule or regulation's interpretation or administration) or in the financial conditions of the Commonwealth that could reasonably be expected to result in a Material Adverse Change;

(k) the Commonwealth shall have delivered to the Bank a certificate signed by an authorized representative of the Commonwealth, dated the Effective Date, affirming the truth and accuracy of clauses (h), (i) and (j) of this Section as such clauses relate to the Commonwealth and certifying that no material adverse change in the financial condition of the Commonwealth has occurred since June 30, 201_;

(l) such other documents, instruments and opinions as the Bank may reasonably require;

(m) receipt by the Bank of satisfactory evidence that a CUSIP number has been assigned to any Bond which becomes a Bank Bond;

(n) the Bank shall have received written confirmation that the Bonds have received long-term and short-term credit ratings of at least "_____" from Moody's, "_____" from S&P and "_____" from Fitch; and

(o) receipt by the Bank of satisfactory evidence that the Prior Agreement with the Prior Bank has been terminated in full and that all fees and expenses owing to the Prior Bank have been paid in full or that such termination and payment of fees and expenses has otherwise been established to the satisfaction of the Bank; and

(p) payment of the Bank's fees and expenses (including attorney's fees and expenses described in Section 3.04) payable on the Effective Date shall have been received by the Bank.

Section 4.02. Conditions to Each Purchase. The obligation of the Bank to purchase Eligible Bonds hereunder on any Purchase Date is subject to the following conditions:

(a) the Bank shall have received a Notice of Bank Purchase as required by Section 2.02 hereof; and

(b) no Immediate Termination Event shall have occurred; and

(c) no Suspension Event shall exist on such Purchase Date.

Each notification delivered pursuant to clause (a) of this Section 4.02 hereof shall constitute a representation and warranty by the Commonwealth on each Purchase Date that the condition described in clause (b) and (c) of this Section 4.02 has been satisfied on such Purchase Date.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

Section 5.01. Representations and Warranties. The Commonwealth represents and warrants as follows:

(a) The Treasurer and Receiver-General of the Commonwealth had, at all relevant times, and has all requisite power and authority to execute and deliver this Agreement and the Related Documents and the Commonwealth had, at all relevant times and has all requisite power and authority to perform all of its obligations hereunder and thereunder.

(b) No authorization, consent, approval, license, exemption of or registration with any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, has been or will be necessary for the valid execution, delivery and performance by the Commonwealth of this Agreement and the Related Documents, except that a legislative appropriation may be required for the payment of amounts due under this Agreement and the Related Documents, and such execution, delivery and performance did not, does not, and will not violate, conflict with or constitute a default under any constitutional or statutory provision or other law, rule, regulation or order or any agreement or instrument to which the Commonwealth is a party or by which it is bound.

(c) The Commonwealth has taken all necessary action to authorize the execution, delivery and performance by it of this Agreement and each of the Related Documents to which it is a party. This Agreement and the Related Documents constitute legal, valid and binding obligations of the Commonwealth enforceable against the Commonwealth in accordance with their respective terms and the Obligations of the Commonwealth hereunder constitute general obligations of the Commonwealth as described in Section 2.10 hereof.

(d) There are no suits or proceedings pending or threatened against the Commonwealth (i) which question the validity or enforceability of the Related Documents or any action taken or to be taken thereunder, or (ii) in which there is a reasonable possibility of an adverse decision which could result in a Material Adverse Change (any such suit or proceeding being herein referred to as "*Material Litigation*").

(e) The Commonwealth is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X of the Board of Governors of the Federal Reserve System), and no part of the

proceeds of any Liquidity Advance will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock.

(f) Provided that the Bank is subject to control, regulation or examination by any state or federal regulatory agency, the Obligations of the Commonwealth are not subject to any usury limitations of the Commonwealth.

(g) The Commonwealth hereby makes to the Bank the same representations and warranties as were made by it in each Related Document to which it is a party, which representations and warranties, together with the related definitions of terms contained therein, are hereby incorporated by reference with the same effect as if each and every such representation and warranty and definition were set forth herein in its entirety. No amendment to such representations and warranties or definitions made pursuant to the relevant Related Document shall be effective to amend such representations and warranties and definitions as incorporated by reference herein without the prior written consent of the Bank.

(h) All information, reports and other papers and data with respect to the Commonwealth furnished to the Bank or its counsel by the Commonwealth were, taken in the aggregate and at the time the same were so furnished, complete and correct in all material respects, to the extent necessary to give the Bank a true and accurate knowledge of the subject matter. No fact is known to the Commonwealth which materially and adversely affects the assets or liabilities or financial condition, of the Commonwealth which has not been set forth in the financial statements or in such information, reports, papers and data or otherwise disclosed in writing to the Bank by the Commonwealth. When taken in the aggregate, no document furnished or statement made by the Commonwealth in connection with the negotiation, preparation or execution of this Agreement or any Related Document contains any untrue statement of a fact material to the creditworthiness of the Commonwealth or omits to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

(i) There is no amendment, or, to the knowledge of the Commonwealth, proposed amendment to the Constitution of the Commonwealth or any administrative interpretation of the Constitution of the Commonwealth or any Commonwealth law or, or any judicial decision interpreting any of the foregoing, the effect of which will materially adversely affect the remarketing of any of the Bonds, the security for any of the Bonds or the Commonwealth's obligations hereunder or under any of the Related Documents, or the Commonwealth's ability to repay when due its obligations under this Agreement, any of the Bonds, and the Related Documents.

(j) No Default or Event of Default has occurred or is continuing hereunder or under any other Related Document.

(k) The Commonwealth has waived immunity from suit on the grounds of sovereignty as to any of its contractual obligations, including, but not limited to, payment

obligations under this Agreement and the Bonds (including Bank Bonds) to the fullest extent permitted under applicable law; and proceedings may be brought against the Commonwealth in such courts and tribunals as are permitted under the laws of the Commonwealth.

(l) The Commonwealth has not granted to any Person holding any General Obligation Debt, issued or incurred by the Commonwealth, the right to accelerate the Commonwealth's obligation to repay such debt following the occurrence of an event of default with respect to such debt.

(m) The government-wide statement of net assets of the Commonwealth as of June 30, _____, and the related statement of activities for the fiscal years then ended and the auditors' report with respect thereto, and which are included in the Commonwealth's Comprehensive Annual Financial Report for the fiscal year ended June 30, _____, are complete and correct and fairly present the financial condition, changes in financial position and results of operations of the Commonwealth at such date and for such period, and were prepared in accordance with generally accepted accounting principles. There has not been any Material Adverse Change in the financial condition of the Commonwealth as stated in either the Comprehensive Annual Financial Report or the Statutory Basis Financial Report for the fiscal year of the Commonwealth ended June 30, _____, both as described in the Offering Document, other than as set forth in the Offering Document.

(n) The Commonwealth has not taken any action which could cause the interest on the Bonds to be includable in the gross income of the recipients thereof for federal income tax purposes.

(o) The Commonwealth, on and as of the Effective Date, has no termination fees in connection with any Swap Contract on a parity with the Commonwealth's obligations to repay the principal and interest due in connection with the bonds, any Bank Bonds and/or all other General Obligation Debt of the Commonwealth.

ARTICLE VI

COVENANTS

Section 6.01. Covenants. The covenants set forth in this Article VI shall apply as long as the Commitment Period is in effect or any amount payable hereunder or any Bank Bond remains unpaid.

(a) The Commonwealth shall punctually pay or cause to be paid its Obligations hereunder and all amounts to become due in respect of the Bonds (including Bank Bonds) in strict conformity with the terms of the Bonds and this Agreement and it shall faithfully observe and perform all of the conditions, covenants and requirements of this Agreement and the Related Documents.

(b) The Commonwealth shall furnish to the Bank by posting on the Commonwealth's website or by email (or such email shall contain a hyperlink providing direct access to) the following: quarterly revisions of monthly cash flows of the Commonwealth comparing actual performance to budgeted amounts for receipts and disbursements; and financial reports, budgets, official statements and similar information issued by it to the public promptly after such issuance but in no event later than 30 days after such issuance to the public; within the earlier of 270 days after each fiscal year end or promptly when made available by the Commonwealth to the public but in no event later than 30 days after such issuance, annual audited or certified financial statements for the fiscal year then ended for the Commonwealth and immediate notice by telephone, promptly confirmed in writing, of any Default or Event of Default. The Commonwealth shall promptly furnish such other information on the financial condition and affairs of the Commonwealth as the Bank may reasonably request from time to time.

(c) The Commonwealth agrees that it will perform and comply in all material respects with each and every obligation, covenant and agreement required to be performed or observed by it in or pursuant to the Related Documents, which provisions, as well as the related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety. The Commonwealth shall not cause or permit the Related Documents to be amended, modified or otherwise supplemented in a manner that adversely affects the rights, interests, security, remedies or obligations of the Bank without the prior written consent of the Bank.

(d) The Commonwealth shall not cause or permit a successor Tender Agent or Remarketing Agent to be appointed or cause or permit there to be a vacancy in the position of Tender Agent or Remarketing Agent, without the prior written consent of the Bank which consent shall not be unreasonably withheld. In the event such consent is withheld, the Bank will promptly provide the Commonwealth, in reasonable detail, an explanation of such withholding of consent, which explanation the Commonwealth agrees, to the extent permitted by law, not to disclose without the prior written consent of the Bank.

(e) The Treasurer and Receiver-General of the Commonwealth shall annually request that the Commonwealth include in its annual budget the sums necessary to satisfy its Obligations hereunder and under the Bonds.

(f) The Commonwealth shall comply with all applicable laws, rules, regulations and orders of any court or Governmental Authority, except that this Section 6.01(f) shall not apply to noncompliance that, singly or in the aggregate, would not have a materially adverse effect on (i) the financial condition or operations of the Commonwealth or (ii) the ability of the Commonwealth to perform its obligations hereunder, including but not limited to the timely payments of the Bonds, Liquidity Advances or other Obligations.

(g) The Commonwealth shall, upon the request of the Bank, from time to time, execute and deliver and, if necessary, file, register and record such further financing statements, amendments, confirmation statements and other documents and instruments and take such further action as may be reasonably necessary to effectuate the provisions of this Agreement and the Related Documents. Except to the extent it is exempt therefrom, the Commonwealth will pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of such instruments of further assurance, and all federal or state fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Agreement, the Related Documents and such instruments of further assurance.

(h) In the event that the Bank shall decide not to extend the Expiration Date, the Commonwealth terminates this Agreement pursuant to Section 2.03 or a mandatory purchase date of the Bonds shall have occurred, the Commonwealth shall use its best efforts to obtain an Alternate Liquidity Facility to replace this Agreement or shall take such other action as will result in the payment of all amounts owed to the Bank upon termination of this Agreement.

(i) The Commonwealth agrees that any Alternate Liquidity Facility will require, as a condition to the effectiveness of the Alternate Liquidity Facility, that the Alternate Liquidity Facility will provide funds to the extent necessary, in addition to other funds available, on the date the Alternate Liquidity Facility becomes effective, for the purchase of all Bank Bonds at par plus interest (at the Bank Interest Rate) through the date purchased. On such Substitution Date any and all amounts owed to the Bank, hereunder or under Bonds shall be payable in full to the Bank.

(j) The Commonwealth shall not permit an Alternate Liquidity Facility to become effective with respect to less than all of the Bonds without the prior written consent of the Bank.

(k) The Commonwealth shall at all times (i) maintain at least one short-term rating on the Bonds by any Rating Agency, (ii) maintain at least one long-term rating on the Bank Bonds by any Rating Agency and (iii) maintain at least two ratings on the long-term unenhanced General Obligation Debt of the Commonwealth by any two Rating Agencies.

(l) (i) The Commonwealth will not direct the Remarketing Agent to cease its attempts to remarket Bonds tendered for purchase for any reason (including without limitation that any interest rate charged hereunder may be less than the interest rate that would be required to be paid to any potential purchaser of such Bonds in order that the Bonds may be sold at a purchase price equal to the par value thereof plus accrued interest thereon).

(ii) Any remarketing agreement entered into by the Commonwealth in relation to the Bonds after the date hereof shall provide that the remarketing agent will resign only upon providing sixty (60) days prior written notice to the Bank.

(m) The Commonwealth shall not include in an offering document for the Bonds any information concerning the Bank that is not supplied in writing, or otherwise consented to, by the Bank expressly for inclusion therein.

(n) The Commonwealth agrees to permit the Bank to disclose any information received by the Bank in connection herewith to any Participants of the Bank in this Agreement.

(o) The Commonwealth shall not take any action or omit to take any action that, if taken or omitted, would adversely affect the excludability of interest on the Bonds from the gross income of the owners thereof for purposes of federal income taxation.

(p) The Commonwealth will cause all termination fees in connection with any Swap Contract to be on a parity with or subordinate in right of payment to the Commonwealth's obligations under the Bonds and under this Agreement.

(q) The Commonwealth shall not use the proceeds of any Bonds or credit extension hereunder, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose, in each case in violation of, or for a purpose which violates, or would be inconsistent with, Regulation T, U or X of the Board of Governors of the Federal Reserve System. The Commonwealth shall not use the proceeds of any Liquidity Advance for any purpose other than as provided for by the laws of the Commonwealth and not in contravention of applicable law.

(r) To the fullest extent permitted by applicable law, with respect to its obligations arising under this Agreement and the Fee Letter Agreement, the Commonwealth irrevocably agrees that it will not claim any immunity on the grounds of sovereignty or other similar grounds from (i) any action, suit or proceeding arising under or relating to this Agreement or any other Related Document, (ii) relief by way of injunction, order for specific performance or writ of mandamus, or (iii) execution or enforcement of any judgment to which it might otherwise be entitled in any proceedings in the courts of any jurisdiction.

(s) In the event that there shall be any Bank Bonds, the Commonwealth shall, promptly upon the request of the Bank, provide evidence satisfactory to the Bank that such Bank Bonds have been assigned a long-term rating of not less than "BBB+" (or its equivalent) by Fitch, "BBB+" (or its equivalent) by S&P or "Baa1" (or its equivalent) by Moody's.

(t) The Commonwealth will permit any officers, employees or agents of the Bank (at the Bank's expense but at the expense of the Commonwealth after the occurrence and during the continuance of an Event of Default) to discuss with appropriate Commonwealth officials matters reasonably pertinent to an evaluation of the credit of the Commonwealth, all at such reasonable times as the Bank may reasonably request.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.01. Events of Default. The occurrence of any of the following events shall constitute an "Event of Default":

(a) the Commonwealth shall fail to pay or cause to be paid when due (i) any amounts with respect to the principal of or interest or premium, if any, on the Bonds (including Bank Bonds, but excluding any failure to pay amounts with respect to accelerated Bank Bonds) or (ii) any other amounts payable under this Agreement or the Fee Letter Agreement; or

(b) the Commonwealth shall fail to observe or perform any covenant or agreement set forth in Section 6.01 (e) or (h) hereof; or

(c) the Commonwealth shall fail to observe or perform any other covenant or agreement contained (or incorporated by reference) in this Agreement (other than those contained in clauses (a) and (b) above), or in any other Related Document to which it is a party and such failure shall remain unremedied for thirty (30) days after written notice thereof shall have been given to the Commonwealth by the Bank; or

(d) any representation, warranty, certification or statement made by the Commonwealth (or incorporated by reference) in this Agreement or in any other Related Document to which it is a party or in any certificate, financial statement or other document delivered pursuant to this Agreement or any other Related Document shall prove to have been incorrect in any material respect when made; or

(e) the Commonwealth shall fail to pay when due and payable any principal of or interest on any General Obligation Debt described in clause (i), (iii), (iv), (v) or (vii) of the definition of "Debt" herein (including, in each case, without limitation, any principal or sinking fund installments with respect thereto, but excluding (i) bank bonds, the payment of which has been accelerated prior to maturity under the related liquidity facility, insurance policy, line of credit, standby bond purchase agreement or other liquidity support or mechanism obtained, delivered, made, entered into or otherwise obtained for the purpose of securing the purchase of tendered bonds of the Commonwealth, (ii) General Obligation Debt in the form of commercial paper notes which are supported as to the payment of principal thereof by credit enhancement or liquidity facilities, (iii) any Swap Contract that does not relate to the payment of interest

with respect to General Obligation Debt described in clause (i) or (iii) of the definition of “Debt” herein and (iv) any termination payment or settlement amount under a Swap Contract) and such failure shall continue beyond any applicable period of grace specified in any underlying indenture, contract or instrument providing for the creation of or concerning such General Obligation Debt; or

(f) an “event of default” as defined in any other Related Document shall have occurred and shall be continuing or the Commonwealth shall fail to comply with the terms of the Bonds; or

(g) (i) any material provision of this Agreement or the Bonds, relating to the payment of any principal or interest on the Bonds (including Bank Bonds) or the Security therefor shall at any time for any reason cease to be valid and binding or fully enforceable on the Commonwealth as determined by any Governmental Authority of competent jurisdiction in a final non-appealable judgment, or (ii) any material provision of this Agreement, the Bonds, or the Tender Agent Agreement, other than a provision described in clause (i) of this Section 7.01(g), shall at any time for any reason cease to be valid and binding or fully enforceable on the Commonwealth as determined by any Governmental Authority of competent jurisdiction in a final non-appealable judgment; or

(h) (i) the Commonwealth shall have taken or permitted to be taken any action or has duly enacted any statute which would result in any material provision of this Agreement or the Bonds relating to the payment of any principal or interest on the Bonds (including Bank Bonds) or the Security therefor being invalid or unenforceable, or (ii) a senior authorized officer of the Commonwealth shall have contested in writing the validity or enforceability of any material provision of this Agreement or the Bonds relating to the payment of any principal or interest on the Bonds (including Bank Bonds) or the Security therefor; or

(i) (i) a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on repayment of debt shall have been declared by the Commonwealth or imposed by a Court of competent jurisdiction (whether or not in writing) with respect to the Bonds or all General Obligation Debt of the Commonwealth, or (ii) the Commonwealth shall admit in writing its inability to pay its debts as they mature, or the Commonwealth shall seek any form of debtor relief affecting its General Obligation Debt, or a trustee, custodian, liquidator or receiver shall be appointed with respect to all or substantially all assets of the Commonwealth, or the Commonwealth shall be declared by a court of competent jurisdiction or shall declare itself to be insolvent; (iii) an order shall have been entered and shall not have been discharged within sixty (60) days from the entry thereof in a case, proceeding or other action commenced against the Commonwealth in a court of competent jurisdiction which (a) seeks issuance of a warrant of attachment, execution or similar process against all or substantially all of the Commonwealth’s assets, and (b) commences only after the rendering of a final judgment or order by a court against the Commonwealth which has not been paid or otherwise satisfied by the Commonwealth within the time frame specified in such final judgment or order; or

(j) the long-term unenhanced rating assigned to the Commonwealth's General Obligation Debt (i) shall be withdrawn or suspended for credit related reasons or reduced below "Baa3" (or its equivalent) (in the case of Moody's), "BBB-" (or its equivalent) (in the case of S&P) and "BBB-" (or its equivalent) (in the case of Fitch) by each of the Rating Agencies then rating such debt or (ii) shall be reduced below "Baa2" (or its equivalent) (in the case of Moody's), "BBB" (or its equivalent) (in the case of S&P) or "BBB" (or its equivalent) (in the case of Fitch) by any of the Rating Agencies then rating such debt; or

(k) any final non-appealable judgment or order for the payment of money in excess of \$15,000,000 shall have been rendered against the Commonwealth, and such judgment or order shall not have been satisfied within a period of one year from the date on which it became final and non-appealable; or

(l) other than as set forth in Section 7.01(e) hereof, any default under any indenture, contract or instrument providing for the creation of or concerning bonds or notes of the Commonwealth the payment of which is secured by the full faith and credit of the Commonwealth shall occur and shall continue beyond any applicable grace period, if any, specified in such indenture, contract or instrument, if the effect of such default is to cause such debt to become due and payable prior to its scheduled maturity or permits such debt to become due and payable prior to its scheduled maturity.

Section 7.02. Remedies. (a) Upon the occurrence of any Immediate Termination Event, (i) the obligation of the Bank under this Agreement to purchase Eligible Bonds shall be immediately and automatically terminated, without notice, and thereafter the Bank shall have no further obligation to purchase any Eligible Bonds, (ii) the Available Commitment shall immediately terminate and be permanently reduced to zero, and (iii) all accrued fees and other amounts due and outstanding hereunder and under the Fee Letter Agreement shall be forthwith due and payable without demand, presentment, protest or other notice whatsoever, all of which are expressly waived by the Commonwealth. Promptly upon the occurrence of an Immediate Termination Event, the Bank shall give written notice of the same to the Tender Agent, the Commonwealth and the Remarketing Agent; *provided*, that the Bank shall incur no liability or responsibility whatsoever by reason of its failure to give such notice and such failure shall in no way affect the termination of the Bank's Available Commitment and of its obligation to purchase Eligible Bonds pursuant to this Agreement.

(b) Upon the occurrence of any Event of Default as described in Section 7.01(h) hereof, the obligation of the Bank under this Agreement to purchase Eligible Bonds shall be immediately and automatically suspended, without notice, and the Bank shall be under no further obligation hereunder to purchase Eligible Bonds unless and until the obligation of the Bank to purchase Eligible Bonds is reinstated as described below. Promptly upon obtaining knowledge of any such Event of Default, the Bank shall give the Tender Agent, the Commonwealth and the Remarketing Agent written notice of such Event of Default; *provided* that the Bank shall not incur any liability or responsibility whatsoever by reason of its failure to give such notice and such failure shall in no way affect the suspension of the Available Commitment and of the obligation of the Bank to purchase Eligible Bonds pursuant to this Agreement. If at any time

prior to the earlier of (i) the end of the Commitment Period and (ii) the date that is three years following the suspension of the obligation of the Bank to purchase Eligible Bonds, (x) the Event of Default which gave rise to such suspension is cured or ceases to be continuing and (y) the obligation of the Bank to purchase Eligible Bonds under this Agreement is not otherwise terminated, then, upon written notice from the Commonwealth to the Bank and the Remarketing Agent to such effect, the obligation of the Bank to purchase Eligible Bonds under this Agreement shall be automatically reinstated. If the Event of Default which gave rise to the suspension of the obligation of the Bank to purchase Eligible Bonds under this Agreement has not been cured and ceases to exist prior to the earlier of (i) the end of the Commitment Period and (ii) the date that is the three year anniversary of such occurrence, then the obligation of the Bank to purchase Eligible Bonds shall be terminated upon written notice from the Bank to the Commonwealth, and thereafter the Bank shall have no further obligation to purchase any Eligible Bonds; *provided* that the Bank shall not incur any liability or responsibility whatsoever by reason of its failure to give such notice and such failure shall in no way affect the termination of the Available Commitment and of the obligation of the Bank to purchase Eligible Bonds under this Agreement.

(c) Upon the occurrence and continuance of any Event of Default, the Bank may give written notice of such Event of Default to the Tender Agent, the Commonwealth, and the Remarketing Agent (a “*Notice of Termination*”) and request the Tender Agent to give notice of mandatory tender for purchase of Eligible Bonds in accordance with their terms. The obligation of the Bank to purchase Eligible Bonds shall terminate on the thirtieth (30th) day (or if such day is not a Business Day, the next following Business Day) after such Notice of Termination is received by the Tender Agent and on such date the Available Commitment shall terminate and the Bank shall thereafter be under no obligation hereunder to purchase Eligible Bonds.

(d) In addition to the rights and remedies set forth in Sections 7.02(a), (b) and (c) hereof, in the case of any Event of Default specified in Section 7.01 hereof, the Bank may take any other action or remedy permitted by law or equity to enforce the rights of the Bank hereunder and under the Bonds in any Related Document.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Notices. All notices, requests and other communications to any party hereunder shall be in writing (including bank wire, telecopy or similar writing) and shall be given to such party at its address, telecopy or telephone number set forth on Exhibit D attached hereto and incorporated herein by this reference, or at such other address, or telecopy or telephone number as such party may hereafter specify for the purpose of notice to the other party. Each such notice, request or other communication shall be effective:

(a) if given by telecopy, when each telecopy is transmitted to the telecopy number set forth in Exhibit D and the appropriate acknowledgement of receipt is received,

(b) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid, or

(c) if given by any other means, when delivered at the address specified in Exhibit D; *provided*, that (i) notices to the Commonwealth under Section 2.06 and to the Bank under Sections 2.02, 2.04, and 4.02 hereof shall not be effective until received, (ii) notices to the Remarketing Agent, the Tender Agent and the Commonwealth under Section 2.04 hereof may also be delivered by hand or given by telephone (confirmed in writing by telecopy).

Section 8.02. No Waivers. (a) The obligations of the Commonwealth hereunder shall not in any way be modified or limited by reference to any other document, instrument or agreement (including, without limitation, the Related Documents) except as otherwise expressly provided herein.

(b) No failure or delay by the Bank in exercising any right, power or privilege hereunder, under the Related Documents or under the Bonds and no course of dealing between the Commonwealth and the Bank shall operate as a waiver hereof or thereof nor shall any single or partial exercise hereof or thereof preclude any other or further exercise hereof or thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies which the Bank would otherwise have.

Section 8.03. Amendments and Waivers. (a) No amendment or waiver of any provision of this Agreement or, to the extent required by Section 6.01(c) hereof, any Related Document, nor consent to any departure by the Commonwealth therefrom, shall in any event be effective unless the same shall be in writing and signed by the Bank, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. The Tender Agent's consent shall be required for any amendment, modification, discharge or waiver of this Agreement that impacts the Tender Agent's rights, duties or responsibilities.

(b) The Commonwealth shall provide notice to each Rating Agency then maintaining a rating on the Bonds of any amendment to this Agreement and shall also provide such notice to the holders of the Bonds by filing notice of any amendment to this Agreement with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access System ("EMMA").

Section 8.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and shall inure to the benefit of the Commonwealth and the Bank and their respective successors and assigns, except that (i) the Commonwealth may not assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the Bank and (ii) with respect to the Bank, no assignment shall occur and become effective until each of S&P, Fitch and Moody's, if then rating the Bonds, has confirmed in writing that such assignment shall not cause the lowering, withdrawal or suspension of any ratings then existing on the Bonds.

(b) The Bank may at any time without notice or the consent of the Commonwealth grant to one or more banks or other institutions (each a “Participant”) participating interests in the Available Commitment or any or all of its Bank Bonds. In the event of any such grant by the Bank of a participating interest to a Participant, whether or not notice is given to the Commonwealth, the Bank shall remain responsible for the performance of its obligations hereunder, and the Commonwealth shall continue to deal solely and directly with the Bank in connection with the Bank’s rights and obligations under this Agreement. The Commonwealth agrees that each Participant shall, to the extent provided in its participation agreement and subsection (d) below, be entitled to the benefits of Sections 3.02, 3.03, 3.04 and 3.06 hereof with respect to its participating interest.

(c) The Bank may at any time assign all or any portion of its rights under this Agreement and any Bank Bonds to a Federal Reserve Bank. No such assignment shall release the Bank from its obligations hereunder.

(d) No Participant or other transferee of the Bank’s rights shall be entitled to receive any greater payment under Sections 3.02, 3.03, 3.04 and 3.06 hereof than the Bank would have been entitled to receive with respect to the rights transferred unless such transfer is made with the Commonwealth’s prior written consent.

Section 8.05. Term of this Agreement. The obligation of the Bank to purchase Bonds shall terminate on the last day of the Commitment Period. This Agreement shall terminate when the Available Commitment shall have expired, no Bank Bonds remain outstanding and all sums payable to the Bank pursuant to this Agreement have been paid in full.

Section 8.06. Governing Law; Waiver of Trial by Jury; Jurisdiction. (a) THE OBLIGATIONS OF THE BANK UNDER THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND FOR ALL PURPOSES SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK AND THE OBLIGATIONS OF THE COMMONWEALTH UNDER THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND FOR ALL PURPOSES SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE COMMONWEALTH OF MASSACHUSETTS.

(b) To the full extent permitted by law, each of the Commonwealth, the Tender Agent and the Bank hereby waives trial by jury in any action or proceeding arising out of or relating to this Agreement or any of the other Related Documents.

(c) To the extent permitted by law, the parties hereto each hereby irrevocably submit to the Nonexclusive Jurisdiction of any court of the state of New York or the Commonwealth of Massachusetts or any United States District Court of the state of New York or the Commonwealth of Massachusetts for the purpose of any suit, action or other proceeding arising out of this Agreement, at the election of the party initiating any such suit, action or proceeding which is brought by or against the Commonwealth or the Bank or the Tender Agent and the parties each hereby irrevocably agree that all claims in respect of any such suit, action or proceeding may be heard and determined by any such court.

Section 8.07. Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 8.08. Beneficiaries. This Agreement is made solely for the benefit of the Commonwealth and the Bank, their successors and assigns, and no other Person (including, without limitation, any Owners) shall have any right, benefit or interest under or because of the existence of this Agreement.

Section 8.09. Headings Descriptive. The headings of the several sections and subsections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

Section 8.10. Survival. All indemnities set forth herein shall survive the execution and delivery of this Agreement, the Bonds and the Related Documents, the payment of the Bonds and the termination of the Available Commitment.

Section 8.11. Tender Agent. The performance of the duties of the Tender Agent hereunder is subject to certain terms and standards set forth in the Tender Agent Agreement.

Section 8.12. Severability. If any provision of this Agreement shall be held or deemed to be or shall in fact be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 8.13. Right of Setoff. In addition to any rights of set-off the Bank may have as a matter of law or otherwise, upon the occurrence of an Event of Default, the Bank and its affiliates may, at any time and from time to time, without notice to the Commonwealth or any other person (any such notice being expressly waived), set off and appropriate and apply, against and on account of, any obligations and liabilities of the Commonwealth to the Bank or its affiliates arising under or connected with this Agreement and the Related Documents, without regard to whether or not the Bank shall have made any demand therefor, and although such obligations and liabilities may be contingent or unmatured.

Section 8.14. Obligations Absolute. The obligations of the Commonwealth under this Agreement shall be absolute, unconditional and irrevocable and shall be paid or performed strictly in accordance with the terms of this Agreement under all circumstances whatsoever, including, without limitation, the following circumstances:

(a) to the extent permitted by applicable law, any lack of validity or enforceability of this Agreement or any Related Document or any other agreement or instrument delivered in connection herewith or therewith;

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

(c) the existence of any claim, set-off, defense or other right that the Commonwealth may have at any time against the Tender Agent, the Remarketing Agent, the Bank or any other Person, whether in connection with this Agreement, the Related Documents or otherwise;

(d) any statement or any other document presented under this Agreement or any of the Related Documents proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever; or

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

Section 8.15. Liability of the Bank. With respect to the Bank, the Commonwealth assumes any and all risks with respect to the acts or omissions of each of the Tender Agent, the Commonwealth and the Remarketing Agent 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 Tender Agent, the Commonwealth or the Remarketing Agent 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, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged; or (c) any other circumstances whatsoever in making or failing to make payment under this Agreement.

Section 8.16. USA Patriot Act. The Bank hereby notifies the Commonwealth that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "*Patriot Act*"), it is required to obtain, verify and record information that identifies the Commonwealth, which information includes the name and address of the Commonwealth and other information that will allow the Bank to identify the Commonwealth in accordance with the Patriot Act, and the Commonwealth hereby agrees to take any action necessary to enable the Bank to comply with the requirements of the Patriot Act.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the Effective Date.

THE COMMONWEALTH OF MASSACHUSETTS

By: _____
Name: _____
Its: Treasurer and Receiver-General

[BANK]

By: _____
Name: _____
Title: _____

EXHIBIT A

**NOTICE OF BANK PURCHASE
(LIQUIDITY PURCHASE)**

[Date]

[Bank]

Telephone:

Facsimile:

Re: Standby Bond Purchase Agreement dated as of _____,
between _____ and
The Commonwealth of Massachusetts

The undersigned, a duly authorized signatory of _____, as Tender Agent (the "*Tender Agent*"), hereby certifies to _____ (the "*Bank*"), in accordance with the Standby Bond Purchase Agreement (the "*Standby Bond Purchase Agreement*"), dated as of _____, between The Commonwealth of Massachusetts and the Bank (all capitalized terms herein having the meanings ascribed thereto in the Standby Bond Purchase Agreement), that:

- (1) Notice of tender of Eligible Bonds for purchase pursuant to the optional tender provisions of the Bonds has been received.
- (2) Insufficient moneys in the possession of the Tender Agent pursuant to the Tender Agent Agreement are available for such purchase.
- (3) The total principal amount of the Eligible Bonds for which there is not sufficient moneys referred to above is \$_____.
- (4) Accrued, but unpaid, interest on such Bonds, computed in accordance with the terms of the Bonds and the Tender Agent Agreement, as of the date of delivery hereof to the Bank, is \$_____.¹
- (5) The Bonds referred to above are hereby tendered to the Bank for purchase pursuant to the Standby Bond Purchase Agreement on the date hereof for an aggregate purchase price of \$_____.²
- (6) Upon completion of purchase, the Tender Agent will hold the Bonds for the Bank in accordance with the requirements of the Tender Agent Agreement.

¹ To be used if the Bonds are to be purchased on a date other than an Interest Payment Date.

² Insert the sum of principal and accrued interest shown in paragraphs (3) and (4).

(7) The Bonds for which notice of tender of Bonds for purchase has been received bear interest at the **[Daily Rate] [Weekly Rate]**³.

(8) The Purchase Date is _____, 20__.

(9) Payment of the amount set forth in paragraph 5 hereof should be made to the Tender Agent in accordance with the following wire instructions:

Bank:

Address:

ABA#:

Account name or reference:

³ Delete as applicable.

IN WITNESS WHEREOF, the Tender Agent has executed and delivered this Certificate
____ day of _____, 20__.

as Tender Agent

By _____
Name _____
Title _____

EXHIBIT B

**NOTICE OF BANK PURCHASE
(MANDATORY PURCHASE)**

[Date]

[Bank]

Telephone:

Facsimile:

Re: Standby Bond Purchase Agreement dated as of _____,
between _____ and
The Commonwealth of Massachusetts

The undersigned, a duly authorized signatory of _____, as Tender Agent (the "*Tender Agent*"), hereby certifies to _____ (the "*Bank*"), in accordance with the Standby Bond Purchase Agreement (the "*Standby Bond Purchase Agreement*"), dated as of _____, between The Commonwealth of Massachusetts and the Bank (all capitalized terms herein having the meanings ascribed thereto in the Standby Bond Purchase Agreement), that:

(1) Eligible Bonds have been tendered or deemed tendered for mandatory purchase pursuant to the terms of the Bonds.

(2) Insufficient moneys in the possession of the Tender Agent pursuant to the Tender Agent Agreement are available for such purchase.

(3) The total principal amount of the Eligible Bonds referred to above is \$_____.

(4) Accrued, but unpaid, interest on such Bonds, computed in accordance with the terms of the Bonds and the Tender Agent Agreement, as of the date of delivery hereof to the Bank, is \$_____.⁴

(5) The Bonds referred to above are being delivered to the Bank for purchase pursuant to the Standby Bond Purchase Agreement on the date hereof for an aggregate purchase price of \$_____.⁵

⁴ To be used if the Bonds are to be purchased on a date other than an Interest Payment Date.

⁵ Insert the sum of principal and accrued interest shown in paragraphs (3) and (4).

(6) Upon completion of purchase, the Tender Agent shall hold the Bonds for the Bank in accordance with the requirements of the Tender Agent Agreement and the Standby Bond Purchase Agreement.

(7) The Purchase Date is _____, 20__.

(8) Payment of the amount set forth in paragraph 5 hereof should be made to the Tender Agent in accordance with the following wire instructions:

Bank:

Address:

ABA#:

Account name or reference:

IN WITNESS WHEREOF, the Tender Agent has executed and delivered this Certificate
____ day of _____, 20__.

as Tender Agent

By _____
Name _____
Title _____

EXHIBIT C

FORM OF REQUEST FOR EXTENSION OF EXPIRATION DATE

[Date]

[Bank]

Telephone:

Facsimile:

Re: Request for Extension of Expiration Date

Ladies and Gentlemen:

Reference is hereby made to that certain Standby Bond Purchase Agreement (the "Agreement"), dated as of _____, between _____ (the "Bank") and The Commonwealth of Massachusetts (the "Commonwealth"). All capitalized terms contained herein which are not specifically defined shall be deemed to have the definition set forth in the Agreement. In accordance with Section 2.06 of the Agreement, the Commonwealth hereby requests an extension of the Expiration Date for an additional commitment period. The current Expiration Date is _____, ____ (or, if such day is not a Business Day, then the next preceding Business Day), and the Commonwealth hereby requests that (1) your agreement to an extension of the Expiration Date be to a date which is not sooner than _____ (__) days after the date of your written approval endorsed below and (2) your decision to accept or decline such an extension be communicated in writing to _____ with a copy delivered to the Tender Agent and the Remarketing Agent(s), as soon as possible but in no event later than _____ (__) days following your receipt of this extension request. We understand that if you fail to respond on or prior to such thirtieth (30th) day, you shall be deemed to have rejected such request.

Pursuant to Section 2.06 of the Agreement, we have enclosed along with this request the following information:

- (1) The outstanding principal amount of the Bonds,
- (2) The nature of any and all Defaults or Events of Default, if any, occurring under the Agreement and the Related Documents; and
- (3) Any other pertinent information previously requested by the Bank.

Your executed return of this Request for Extension of Expiration Date, with a copy to the Tender Agent and the Remarketing Agent(s), will constitute a binding agreement in accordance with the terms of the Agreement.

Very truly yours

THE COMMONWEALTH OF MASSACHUSETTS

By _____
Name _____
Title _____

The undersigned agrees that the
Expiration Date is hereby extended
to _____, 20__

Dated this day of _____ day of
_____, 20__

[BANK]

By: _____
Name:
Title:

EXHIBIT D

ADDRESSES FOR NOTES AND PAYMENTS

Commonwealth:

The Commonwealth of Massachusetts
Office of the State Treasurer
One Ashburton Place, 12th Floor
Boston, Massachusetts 02108
Attention: Colin A. MacNaught, Assistant Treasurer
Telephone: (617) 367-9333 (ext. 226)
Facsimile: (617) 727-1773

Bank:

Address for Notices:

For a Notice of Bank Purchase:

[Mailing Address]
Attention:
Telephone:
Facsimile:

For All Notices:

[Mailing Address]
Attention:
Telephone:
Facsimile:

Wire Instructions:

Tender Agent:

[Mailing Address]
Attention:
Telephone:
Facsimile:

Remarketing Agent:

[Mailing Address]
Attention:
Telephone:

EXHIBIT E

FORM OF CUSTODY AGREEMENT

CUSTODY AGREEMENT dated as of _____ between _____ (the “Bank”), and _____ (the “Custodian”).

WHEREAS, the Commonwealth of Massachusetts (the “Commonwealth”), and the Bank have entered into a Standby Bond Purchase Agreement dated as of the date hereof (as amended or otherwise modified from time to time, the “Agreement”), pursuant to which the Bank has agreed to purchase in certain circumstances \$ _____ aggregate principal amount of [NAME OF BONDS] (the “Bonds”); and

WHEREAS, the Bonds delivered by the holders thereof to _____, as Tender Agent (the “Tender Agent,” which term shall include any successor “Bond Tender Agent” appointed pursuant to the terms of the Tender Agent Agreement as defined below) the “Tender Agent” pursuant to the terms of the Bonds are required to be purchased under certain circumstances by the Bank under the Agreement; and

WHEREAS, the Tender Agent will act as the Custodian under this Custody Agreement; and

WHEREAS, it is a condition to the effectiveness of the obligations of the Bank under the Agreement that the Custodian shall have entered into this Custody Agreement with the Bank; and

WHEREAS, the Custodian has agreed to act as custodian and agent for the Bank as herein provided;

NOW, THEREFORE, in consideration of the mutual covenants recited herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, it is hereby agreed as follows:

1. Capitalized terms used herein which are not otherwise defined in this Custody Agreement shall have the definitions provided in the Agreement.
2. The Bank appoints the Custodian as its agent and bailee for the purpose of receiving Bank Bonds (as defined in the Agreement) under the Agreement and holding such Bank Bonds for and on behalf of the Bank. Bank Bonds shall be held and registered as provided in Section 2.02 of the Agreement. The Custodian hereby agrees to hold the Bank Bonds delivered to it pursuant to Section 2.02 of the Agreement for such purpose, as the Bank's agent and bailee. As used herein, the term “Bank Bonds” means, unless the context otherwise requires, the beneficial ownership of such Bank Bonds during any period that Bank Bonds are maintained as Book Entry Bonds.

3. Except at the written direction of the Bank, the Custodian shall not pledge, hypothecate, transfer or release possession of such Bank Bonds held by or registered in the name of the Custodian on behalf of the Bank to any Person or in any manner not in accordance with this Custody Agreement and shall not enter into any other agreement, other than the Agreement or as described in the Bonds, regarding possession of the Bank Bonds without the prior written consent of the Bank. The Custodian will not release Bank Bonds to the purchaser of such Bank Bonds unless the Bank has delivered to the Custodian, in addition to its written direction contemplated above in this paragraph, written notice (which may be by telecopy) that a portion of the Available Principal Commitment (as defined in the Agreement) in an amount equal to the principal amount of such Bank Bonds has been reinstated.

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

5. If the Bonds are no longer FAST Eligible Bonds, concurrently with the receipt of the purchase price for each purchase of Bonds by the Bank under the Agreement, the Custodian shall cause each Bank Bond to be registered in the name of the Bank and shall be held by the Custodian as the agent, bailee and custodian (in such capacity, the "*Custodian*") of the Bank for the exclusive benefit of the Bank. The Custodian acknowledges and agrees that it is acting and

will act with respect to Bank Bonds at the written direction of the Bank for the exclusive benefit of the Bank and is not and shall not at any time be subject in any manner or to any extent to the direction or control of the Commonwealth or any other Person with respect to the Bonds. The Custodian agrees to act in strict accordance with this Agreement and in accordance with any lawful written instructions delivered to the Custodian from time to time pursuant hereto by the Bank. Under no circumstances shall the Custodian deliver possession of the Bonds to, or cause Bonds to be registered in the name of, the Commonwealth, the Remarketing Agent or any Person other than the Bank except in accordance with the express terms of this Agreement or otherwise upon the written instructions of the Bank. If, while this Agreement is in effect, the Custodian shall become entitled to receive or shall receive any payment in respect of any Bank Bonds held for the Bank, the Custodian agrees to accept the same as the Bank's agent and to hold the same in trust on behalf of the Bank and to deliver the same forthwith to the Bank's Payment office. Upon the remarketing of any Bank Bonds and the Custodian's receipt from the Remarketing Agent and/or the Commonwealth of the amounts set forth in Section 2.04 of the Agreement, the Custodian shall release Bank Bonds in a principal amount equal to the principal amount so remarketed to the Remarketing Agent or the Commonwealth, as the case may be, in accordance with the terms of the Bonds. The Custodian may rely and shall be protected in acting upon any document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Custodian shall not be liable for any error in judgment made in good faith by its responsible officers, employees and agents unless the Custodian, its responsible officers, employees or agents were negligent or engaged in willful misconduct. Anything herein to the contrary notwithstanding, the Custodian shall have no liability hereunder for any act or omission except as shall result from its gross negligence or willful misconduct. Except as provided above, without the prior written consent of the Bank, the Custodian agrees that it will not sell, assign, transfer, exchange or otherwise dispose of, or grant any option with respect to, Bank Bonds, and will not create, incur or permit to exist any pledge, lien, mortgage, hypothecation, security interest, charge option or any other encumbrance or take any other action with respect to the Bank Bonds, or any interest therein, or any proceeds thereof. The Custodian shall deliver to the Bank, at the Bank's written request, such information as may be in the possession of the Custodian with respect to such Bank Bonds. If the Custodian is holding Bank Bonds, the Custodian, at its own expense, shall maintain and keep in full force and effect: fidelity insurance; theft of documents insurance; forgery insurance; and errors and omissions insurance (which may be maintained by self-insurance). All such insurance shall be in amounts, with standard coverage and subject to deductibles that are customary for insurance typically maintained by a bank or other financial institution acting as custodian.

6. Upon written notice to the Bank, and release and delivery to the Bank or its designee of any Bank Bonds then held by the Custodian on behalf of the Bank pursuant to this Custody Agreement, the Custodian shall have the right to terminate its obligations with respect to such Bank Bonds under this Custody Agreement. The Bank shall have the option to terminate this Custody Agreement at any time upon written notice to the Custodian and, upon such termination, the Custodian will release and deliver to the Bank or its designee any Bank Bonds then held by the Custodian hereunder. The Bank may also from time to time request that the Custodian release and deliver to the Bank all or a portion of the Bank Bonds then held by the Custodian on behalf of the Bank without termination of this Custody Agreement, and upon

receipt of any such request in writing, the Custodian will release and deliver such Bank Bonds to the Bank or its designee then held by the Custodian.

7. In acting under this Custody Agreement the Custodian shall not be liable to the Bank except for gross negligence or willful misconduct in the performance of its obligations hereunder.

8. The Custodian's duties are only such as are specifically provided herein, and the Custodian shall incur no fiduciary or other liability whatsoever to the Bank or any other Person, except to the extent the Bank incurs any loss or liability due to the Custodian's gross negligence or willful misconduct. Anything in this Custody Agreement to the contrary notwithstanding, in no event shall the Custodian be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Custodian has been advised of such loss or damage and regardless of the form of action. The Custodian may consult with counsel and shall be fully protected in any action taken, suffered or omitted in good faith in accordance with such advice. The Custodian may rely conclusively and shall be fully protected in acting upon any written instructions given to it hereunder and believed by it to have been properly executed. In the administration of this Agreement, the Custodian may execute any of its powers and perform its duties hereunder directly or through agents, employees or attorneys. None of the provisions contained in this Agreement shall require the Custodian to use or advance its own funds in the performance of any of its duties or the exercise of any of its rights or powers hereunder. The Custodian shall not incur liability for following the instructions herein contained or expressly provided for, or written instructions of the Bank.

9. To the extent the Custodian is not compensated by the Commonwealth hereunder, the Bank shall compensate the Custodian for its services hereunder in accordance with a schedule of fees provided by the Custodian and agreed upon by the Bank from time to time and, in addition, shall reimburse the Custodian for all of its reasonable out-of-pocket expenses, including reasonable attorneys' fees, telephone and facsimile transmission costs, postage (including express mail and overnight delivery charges), copying charges and the like. The Bank shall indemnify and hold harmless the Custodian against any and all liability arising out of the Custodian's performance of its obligations hereunder, except to the extent due to gross negligence or willful misconduct of the Custodian. The Bank acknowledges that the Custodian is acting as Tender Agent under the Tender Agent Agreement for the holders of the Bonds. The Bank agrees that nothing contained in this Agreement shall be construed to require the Custodian to do any act or omit to do any act contrary to the duties of the Tender Agent under the Tender Agent Agreement for the holders of the Bonds.

10. The Custodian may resign at any time by giving written notice thereof to the Bank. Such resignation shall not become effective until a successor Custodian shall have been appointed by the Bank and shall have accepted such appointment in writing. If a successor Custodian is not appointed by the Bank within 60 days of the Custodian's resignation, the resigning Custodian, at the Commonwealth's expense, may petition any court of competent jurisdiction, including without limitation the Supreme Court of the State of New York, for the appointment of a successor Custodian.

11. This Custody Agreement cannot be amended or modified except in a writing signed by the Bank and the Custodian.

12. This Custody Agreement shall inure to the benefit of and shall be binding upon the Custodian and the Bank, and their respective successors and assigns.

13. This in the Custody Agreement referred to in the Agreement shall be governed by the law of the State of New York without regard to choice of law rules.

14. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. This Agreement may be delivered by the exchange of signed signature pages by facsimile transmission or by e-mail with a PDF copy or other replicating image attached, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

[Remainder of Page Intentionally Left Blank; Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers or representatives thereunto duly authorized as of the date first written above.

[CUSTODIAN],
as Custodian

By: _____
Name: _____
Title: _____

[BANK]

By: _____
Name: _____
Title: _____