
1995 ISDA Standard Terms and Conditions for Escrow Float Transactions

ISDA®

INTERNATIONAL SWAPS AND DERIVATIVES ASSOCIATION, INC.

PREFACE TO 1995 ISDA STANDARD TERMS AND CONDITIONS FOR ESCROW FLOAT TRANSACTIONS

The 1995 International Swaps and Derivatives Association, Inc. ("ISDA") Standard Terms and Conditions for Escrow Float Transactions (the "Standard Terms") are intended for use in connection with transactions involving the investment at one or more future dates by a trustee or escrow agent, in Qualified Securities (as defined in the Standard Terms), of the principal and interest proceeds of securities held by the trustee in trust or escrow to effect the repayment of bonds ("Escrow Float Transactions"). The Standard Terms and related agreements into which they may be incorporated provide means to provide the trustee fixed returns from its investment of such principal and interest proceeds from the date of their receipt until the date they are needed to make bond payments. The Standard Terms assume that all securities purchased and held in an Escrow Float Transaction are federal government securities or other high quality debt instruments and that there is no significant risk of a credit related failure by the trustee or the issuer to perform its obligations under the agreements.

The Standard Terms are divided into two parts. Part A, ISDA Standard Terms and Conditions for Escrow Float Agreements, intended to be incorporated into the ISDA Escrow Float Agreement (a form of which is attached as Annex A to the ISDA Standard Terms and Conditions for Escrow Float Agreements), sets forth the standard terms and conditions that govern the relationship between the trustee and the entity acquiring the right to direct the investment of the proceeds of the escrowed securities (the "Provider"). Part B, ISDA Standard Terms and Conditions for Acknowledgment Agreements, intended to be incorporated into the ISDA Acknowledgment Agreement (a form of which is attached as Annex B to the ISDA Standard Terms and Conditions for Acknowledgment Agreements), sets forth the standard terms and conditions that govern the relationship between the Provider and the issuer of the bonds being repaid.

Parts A and B of the Standard Terms are to be incorporated into the respective agreements to which they relate by the terms of the agreements. Neither the ISDA Standard Terms and Conditions for Escrow Float Agreements nor the ISDA Standard Terms and Conditions for Acknowledgment Agreements is a contract. The obligations of the parties to an Escrow Float Transaction arise from the terms of their agreements. Parties may adopt the Standard Terms in their entirety as the general basis of their contracts. They may also incorporate certain portions of the Standard Terms without incorporating others. In either case, they may specify variations in or additions to the provisions they incorporate. Express provisions in a contract will supersede anything to the contrary in the Standard Terms.

ISDA assumes no responsibility for any use to which these Standard Terms or the annexes or exhibits thereto may be put. Parties to an Escrow Float Transaction should obtain all legal, tax, accounting, financial and other advice that is appropriate in the circumstances.

PART A. ISDA STANDARD TERMS AND CONDITIONS FOR ESCROW FLOAT AGREEMENTS

The ISDA Standard Terms and Conditions for Escrow Float Agreements (the "Escrow Float Standard Terms") are intended for use in connection with a document such as the ISDA Escrow Float Agreement published by ISDA. Any or all of the following provisions may be incorporated into such a document by wording in the document indicating that, or the extent to which, the Escrow Float Standard Terms are incorporated therein. Except as otherwise provided in a document, all provisions so incorporated in a document will be applicable to that document and all terms defined in the Escrow Float Standard Terms when used in the document will have the respective meanings set forth in the Escrow Float Standard Terms.

Section I. Definitions

Section 1.1 As used herein: —

"Acknowledgment Agreement" has the meaning specified in the Escrow Float Agreement.

"Business Day" means any day other than (a) a Saturday or Sunday, (b) a day on which the principal corporate trust office of the Escrow Agent is authorized or required by law to close, (c) a day on which banking institutions in The City of New York are authorized or required by law to close, (d) a day on which any Eligible Securities which may be delivered under the Escrow Float Agreement are not subject to delivery in The City of New York or (e) a day on which the Provider is required and, if the Provider is a bank or a broker dealer, authorized by law to close.

"Counterparty" has the meaning specified in the Escrow Float Agreement.

"Coupon Payment" means for any Qualified Security, a payment of interest which is due to be paid thereon prior to the scheduled maturity of such Qualified Security.

"Dealer" means a leading dealer in the relevant market selected by the Provider in good faith (a) from among dealers of the highest credit standing which satisfy all the criteria that the Provider applies generally at the time in deciding whether to offer or to make an extension of credit and (b) to the extent practicable from among such dealers having an office in the same city.

"Default Rate" means a rate per annum equal to the lesser of (a) the cost (without proof or evidence of any actual cost to the Provider) to the Provider (as certified by it) if it were to fund or of funding the relevant amount plus 1% per annum and (b) the maximum rate permitted by law.

"Delivery Date" means each date identified as a "Delivery Date" on Exhibit A to the Escrow Float Agreement unless such date is not a Business Day, in which case "Delivery Date" means the immediately succeeding Business Day.

"Delivery Notice" means a notice substantially in the form of Exhibit F to the Escrow Float Agreement or in such other form as provided by the Provider containing at least the information set forth in Exhibit F.

"Deposit Agreement" has the meaning specified in the Escrow Float Agreement.

"Differential" means the amount, if any, by which the Maturity Amount of any Qualified Security delivered hereunder exceeds the Market Value thereof.

"Direction Letter" means a letter, which may be substantially in the form of Exhibit B to the Escrow Float Agreement, delivered by the Counterparty to the Escrow Agent, pursuant to which the Counterparty has directed the Escrow Agent to enter into the Escrow Float Agreement.

"Eligible Securities" means direct, full faith and credit, non-callable obligations of the United States of America and other securities in which the Escrow Agent is permitted to invest pursuant to the terms of the Deposit Agreement and are identified in the Escrow Float Agreement as Additional Eligible Securities.

"Escrow Account" has the meaning specified in the Escrow Float Agreement.

"Escrow Agent" has the meaning specified in the Escrow Float Agreement.

"Escrowed Securities" means the investments held by the Escrow Agent in the Escrow Account pursuant to the Deposit Agreement and shall include all proceeds thereof.

"Escrow Float Agreement" means the agreement between the Escrow Agent and the Provider into which the Escrow Float Standard Terms have been incorporated, in whole or in part, with such amendments as are specified in such agreement and including the Escrow Float Standard Terms to the extent of such incorporation.

"Event of Default" means an event specified in Section 6.1 hereof.

"Fee Amount" has the meaning specified in the Escrow Float Agreement.

"Market Value" means, with respect to any Eligible Security delivered under the Escrow Float Agreement, the market value thereof on the date of delivery (including accrued interest) as specified by the Qualified Dealer delivering that security in the Delivery Notice, provided that the Market Value of any such security shall in no event exceed the Maturity Amount thereof.

"Maturity Amount" means, with respect to any Eligible Security delivered in respect of a Delivery Date, the amount, payable in cash, representing the principal and interest due thereon, on or prior to its maturity date.

"Maturity Date" means, with respect to each Delivery Date and the Eligible Securities that may be delivered in connection therewith, each date identified as a "Maturity Date" on Exhibit A in the Escrow Float Agreement unless such date is not a Business Day, in which case "Maturity Date" means the immediately succeeding Business Day, provided that in determining whether any such date is a Business Day no effect shall be given to clauses (c), (d) or (e) of the definition of Business Day.

"Maximum Amount" means, with respect to each Delivery Date and the Eligible Securities that may be delivered in respect of such Delivery Date, the amount identified as such on Exhibit A in the Escrow Float Agreement.

"Moody's" means Moody's Investors Service, Inc.

"Prior Bonds" means the bonds of the Counterparty which are to be repaid from amounts held in the Escrow Account, in accordance with the Deposit Agreement.

"Provider" has the meaning specified in the Escrow Float Agreement.

"Qualified Dealer" has the meaning specified in the Escrow Float Agreement.

"Qualified Securities" means, with respect to each Delivery Date, Eligible Securities selected by the Provider that shall (a) mature not later than the Maturity Date for such Delivery Date and (b) have a Maturity Amount which does not exceed the Maximum Amount for such Delivery Date.

"Refunding Bonds" has the meaning specified in the Escrow Float Agreement.

"S&P" means Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc.

"S&P Rating Agency Condition" has the meaning specified in the Acknowledgment Agreement.

"Termination Amount" means an amount, as reasonably determined by the Provider in good faith, on the basis of the arithmetic mean of quotations from at least three Dealers, of the amount, if any, that each such Dealer would require the Provider to pay to the Dealer in consideration of such Dealer entering into an agreement with the Provider (with such documentation as the Dealer and the Provider may in good faith agree) which would have the effect of preserving for the Provider, the economic equivalent of the Provider's investment rights under the Escrow Float Agreement for the period commencing on the termination date of the Escrow Float Agreement and terminating on the last Maturity Date set forth on Exhibit A to the Escrow Float Agreement (assuming for these purposes that the Escrow Float Agreement had not terminated on the termination date); provided, however, that:—

(a) if more than three quotations are provided, the Termination Amount will be the arithmetic mean of such quotations, without regard to the quotations having the highest and lowest values,

(b) if exactly three quotations are provided, the Termination Amount will be the quotation remaining after disregarding the highest and lowest quotations,

for purposes of clauses (a) and (b), if more than one quotation has the same highest value or lowest value, then one of such quotations shall be disregarded, and

(c) if the Provider is unable to obtain three such quotations, the Termination Amount shall be the amount, as reasonably determined in good faith by the Provider, to be its total losses and costs in connection with a termination of the Escrow Float Agreement, including any loss of bargain, cost of funding or, at the election of the Provider but without duplication, any loss or cost incurred as a result of its terminating, liquidating, obtaining or reestablishing any hedge or related trading position; and

provided further, however, that in any event the Termination Amount shall also include (A) any unpaid amounts due the Provider as of the date of termination of the Escrow Float Agreement (including any amounts due under Section 6.3 hereof) and (B) if such Termination Amount is being paid in connection with a termination of the Escrow Float Agreement following an Event of Default or if any Termination Amount otherwise due thereunder is not paid when due, the Termination Amount shall also include any incidental costs and expenses incurred by the Provider in connection with such termination and the enforcement of its rights thereunder (including costs of collection, reasonable attorneys' fees and, if applicable, a reasonable allocation of compensation and overhead attributable to time of employees of the Provider spent in connection with such termination and the enforcement of its rights thereunder).

"Verification Report" has the meaning specified in the Escrow Float Agreement.

Section 1.2 **References.** Except as otherwise specified, all references in the Escrow Float Standard Terms to particular "Sections," "Subsections" and other subdivisions are to the particular Sections, Subsections and other subdivisions of the Escrow Float Standard Terms. The words "herein," "hereof," "hereunder" and other words of similar import in the Escrow Float Standard Terms refer to the entire Escrow Float Agreement which incorporates these Escrow Float Standard Terms by reference, and shall not refer to the Escrow Float Standard Terms standing alone.

Section 2. Purchase Agreement

Section 2.1 *Purchase and Sale of Eligible Securities.*

(a) The Provider may, at its option, cause a Qualified Dealer to deliver to the Escrow Agent, on or after any Delivery Date but prior to the related Maturity Date, Qualified Securities selected by the Provider; provided that except in connection with any deliveries made pursuant to Section 2.3, the Maturity Amount of Qualified Securities delivered on any date shall not exceed the difference between the Maximum Amount and the Maturity Amount of Qualified Securities previously delivered by the Provider with respect to such Delivery Date and which have not yet matured.

(b) At the time of the delivery of any Qualified Securities in accordance with the Escrow Float Agreement by the Qualified Dealer, whether on or after a Delivery Date, the Escrow Agent shall purchase such securities and pay to the Qualified Dealer, in accordance with Section 2.2 hereof, an amount equal to the Maturity Amount thereof.

(c) If on any Delivery Date the Provider does not cause a Qualified Dealer to deliver any Qualified Securities, or the Qualified Dealer delivers Qualified Securities which have an aggregate Maturity Amount which is less than the Maximum Amount, the Escrow Agent shall hold uninvested, until the earlier of the related Maturity Date and the date on which such funds are applied to purchase Qualified Securities in accordance with the Escrow Float Agreement, that portion of the Maximum Amount not applied to purchase Qualified Securities on such Delivery Date.

(d) The Provider is not required to own any Eligible Securities at the time of the Provider's execution of the Escrow Float Agreement or at any time prior to the respective delivery dates thereof. The Provider's failure to cause a Qualified Dealer to deliver Qualified Securities at any time shall not terminate or affect the Provider's right to cause a Qualified Dealer to deliver Qualified Securities at any other time prior to the termination of the Escrow Float Agreement.

Section 2.2 *Delivery; Payment.*

(a) All Qualified Securities delivered under the Escrow Float Agreement shall be delivered to the Escrow Agent to the account specified in the Escrow Float Agreement, in such manner as at the time is generally acceptable for delivery of Eligible Securities. All Qualified Securities delivered under the Escrow Float Agreement shall be delivered to the Escrow Agent on a "delivery versus payment" basis.

(b) (i) The Provider shall cause the Delivery Notice to be delivered to the Escrow Agent at least one Business Day prior to the delivery under the Escrow Float Agreement of any Qualified Securities that are in book-entry form and at least two Business Days prior to the delivery of any Qualified Securities that are in certificated form.

(ii) Concurrently with the delivery of any Qualified Securities, the Escrow Agent shall pay the Qualified Dealer the Maturity Amount thereof.

(iii) All payments required to be made by the Escrow Agent under the Escrow Float Agreement shall be made in immediately available funds by means of a bank or Federal funds wire.

Section 2.3 *Subsequent Deliveries.*

(a) Subject to Section 2.2(b)(i) above, the Provider may, at its option, cause a Qualified Dealer to deliver to the Escrow Agent, from time to time, on any Business Day after a Delivery Date and prior to the related Maturity Date, Qualified Securities with an aggregate Maturity Amount which does not exceed the aggregate Maturity

Amount of Qualified Securities previously delivered to the Escrow Agent pursuant to the Escrow Float Agreement and which have not yet matured (collectively, the "Previously Purchased Securities"). If the Provider causes a Qualified Dealer to sell Qualified Securities to the Escrow Agent as provided in this Section 2.3, the Escrow Agent shall purchase such securities and concurrently with and in consideration of such purchase, sell to the Qualified Dealer, all or a portion of the Previously Purchased Securities which have a Maturity Amount equal to the Maturity Amount of the Qualified Securities then being delivered to the Escrow Agent. Any Qualified Securities delivered by the Qualified Dealer pursuant to this Section 2.3 must mature on a date that is (i) later than the maturity date of the Previously Purchased Securities being sold to the Qualified Dealer in consideration of such delivery and (ii) not later than the Maturity Date.

(b) If any Previously Purchased Securities (i) mature prior to the Maturity Date for which such Previously Purchased Securities were delivered or (ii) have a Coupon Payment, the Provider shall have the right, at any time on or after the maturity date of such Previously Purchased Securities or the date on which interest in respect of such Coupon Payment is received by the Escrow Agent, subject to Section 2.2(b)(i) hereof, to cause the Escrow Agent to purchase from the Qualified Dealer, with all or part of the proceeds of any such Previously Purchased Securities or the interest received in respect of such Coupon Payment, Qualified Securities equal in Maturity Amount to the Qualified Securities which have so matured or to the interest received in respect of such Coupon Payment.

Section 3. The Escrow Agent

Section 3.1 *Acceptance by the Escrow Agent.* By execution and delivery of the Escrow Float Agreement, the Escrow Agent accepts its duties and obligations hereunder, as an addition to its duties and obligations as the Escrow Agent under the Deposit Agreement.

Section 3.2 *Liability of the Escrow Agent; Consultation with Legal Counsel.*

(a) The Escrow Agent shall not be liable under the Escrow Float Agreement for any action taken or neglected to be taken in performing or attempting to perform its obligations thereunder or preserving or seeking to preserve the funds it maintains under the Deposit Agreement or purchasing the Eligible Securities tendered pursuant to the Escrow Float Agreement, except for actions arising from its negligence or willful misconduct or from its intentional or knowing non-performance of its obligations hereunder or for damages arising out of the Escrow Agent's breach of its representations and warranties hereunder or by its breach of its agreements under Section 3.3 hereof.

(b) The Escrow Agent may consult with its counsel with respect to any question relating to its duties or responsibilities under the Escrow Float Agreement or otherwise in connection therewith and, except as expressly provided therein, shall not be liable for any action taken, suffered, or omitted by the Escrow Agent in good faith upon the advice of such counsel. The Escrow Agent may act through its officers, employees, agents and attorneys.

Section 3.3 *Escrow Agent Cooperation; Provider Consent.*

(a) The Escrow Agent shall not act in contravention of its obligations under the Escrow Float Agreement or invest funds in the Escrow Account other than pursuant to the Escrow Float Agreement.

(b) The Escrow Agent shall not make any payments or distributions from the Escrow Account other than payments or distributions (i) required by the Escrow Float Agreement, (ii) to pay principal of, redemption premium, if any, and interest on the Prior Bonds and (iii) to the extent not inconsistent with the terms of the Escrow Float Agreement, to make payments required by the Deposit Agreement.

(c) The Escrow Agent shall not without the Provider's express prior written consent (i) amend or consent to the amendment of the Deposit Agreement, (ii) exercise any right or option relating to any Escrowed Security,

including any right or option to redeem or accelerate any Escrowed Security or reinvest the proceeds of or substitute for any Escrowed Security or (iii) take or fail to take any action pursuant to the Deposit Agreement where such action or failure to act would qualify, impede or otherwise impair the Escrow Agent's ability to perform its duties under the Escrow Float Agreement or impair the rights and benefits of the Provider under the Escrow Float Agreement; provided, however, that nothing contained herein shall be construed to impair the Escrow Agent's obligation to pay principal of, redemption premium, if any, and interest on the Prior Bonds.

Section 3.4 ***Payment of Escrow Agent Fees.*** Any fees and expenses of the Escrow Agent for its services under the Escrow Float Agreement shall be paid to the Escrow Agent by the Counterparty from sources other than the moneys and investments in the funds the Escrow Agent maintains under the Deposit Agreement, including the Qualified Securities. Ongoing expenses, including legal fees, shall be billed by the Escrow Agent to the Counterparty as incurred. The Escrow Agent acknowledges that it has no claims for its fees and charges under the Escrow Float Agreement on the moneys and investments it maintains under the Deposit Agreement, including the Qualified Securities, and that such fees and expenses may not be paid therefrom. The Escrow Agent further acknowledges that the Provider shall have no liability for any such fees and expenses of the Escrow Agent.

Section 3.5 ***Escrow Agent Successor.*** If the Escrow Agent resigns or is discharged from its duties and obligations under the Deposit Agreement, it shall assign all its rights and duties under the Escrow Float Agreement to such successor escrow trustee as is appointed by the Counterparty and is reasonably acceptable to the Provider.

Section 4. Representations, Warranties and Acknowledgments

Section 4.1 ***Representations and Warranties.*** Each party to the Escrow Float Agreement represents and warrants to the other party hereto that: —

(a) it has the power to enter into the Escrow Float Agreement and to consummate the transactions contemplated by the Escrow Float Agreement;

(b) the Escrow Float Agreement has been duly authorized, executed and delivered by it and, assuming the due authorization, execution and delivery by the other party, constitutes a legal, valid and binding obligation of it enforceable against it in accordance with the terms of the Escrow Float Agreement, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity regardless of whether enforcement is sought in a proceeding in equity or at law; and

(c) its execution and delivery of the Escrow Float Agreement and in the case of the Escrow Agent its performance of its obligations under the Escrow Float Agreement do not and will not conflict with or constitute or result in a default under, a breach or violation of, or result in the creation of any lien or encumbrance on any of its property under, its charter or by-laws, (and in the case of the Escrow Agent, the Deposit Agreement), or any other agreement, instrument, judgment, injunction or order applicable to it or any of its property.

Section 4.2 ***Additional Representations and Warranties of the Escrow Agent.*** In addition to its representations and warranties made in Section 4.1 hereof, the Escrow Agent represents and warrants to the Provider that: —

(a) it has no knowledge of any prior agreement by the Counterparty with respect to the right to invest the proceeds of the Escrowed Securities and has received no previous instructions from the Counterparty with respect to any such investment; and

(b) the Escrowed Securities specified in the Verification Report, the proceeds of which will be used to purchase Eligible Securities as provided for by the Escrow Float Agreement and any cash identified in the Verification Report which is to be so applied, are held by the Escrow Agent in the Escrow Account pursuant to the Deposit Agreement on the date hereof.

Section 4.3 **Acknowledgments.** The Escrow Agent acknowledges that for all purposes of the Escrow Float Agreement and the transactions contemplated therein (the "Transactions"):—

(a) the Provider has acted solely as an independent contractor and has not acted and is not acting as a financial or investment advisor, fiduciary, agent or other representative for the Escrow Agent, the holders of the Prior Bonds or the Refunding Bonds or for any other person in connection with the Transactions;

(b) neither the Provider nor any agent of the Provider has rendered any advice or counsel to the Escrow Agent, whether directly or indirectly through any other person, as to the Escrow Float Agreement or the transactions contemplated by the Escrow Float Agreement or the advisability of entering into the Escrow Float Agreement or the Transactions;

(c) the Provider has made no investigation with respect to the tax-exempt status of the Prior Bonds or the Refunding Bonds and has no duty to do so, and neither the Provider nor any of its directors, officers, employees, agents or affiliates are or shall be liable or responsible for:— (i) the payment of any amounts owing on or with respect to the Prior Bonds or the Refunding Bonds; (ii) the use or application by the Escrow Agent of any moneys payable to the Escrow Agent under the Escrow Float Agreement; (iii) the validity, tax exemption or enforceability of, the Prior Bonds or the Refunding Bonds, the Indenture or the Deposit Agreement; or (iv) the Escrow Agent's or the Counterparty's performance of its obligations under any agreement or instrument with respect to the Prior Bonds or the Refunding Bonds. Without limiting the foregoing, the Provider shall have no duty to ascertain whether the Escrow Agent or the Counterparty is in compliance with any applicable statute, regulation, law or agreement; and

(d) the Provider is not obligated to cause the delivery of any Qualified Securities under the terms of the Escrow Float Agreement.

Section 5. Delivery of Documents, Payment of Fee Amount

Section 5.1 **Delivery of Documents.** On or prior to the Closing Date each party shall deliver to the other party the forms, documents or certificates it is required to deliver pursuant to Part 4 of the Escrow Float Agreement.

Section 5.2 **Payment of Fee Amount.** On the Closing Date, the Provider shall pay the Fee Amount to or on behalf of the Counterparty to the account specified by the Counterparty in Part 5 of the Escrow Float Agreement.

Section 6. Defaults; Termination

Section 6.1 **Events of Default.** The occurrence of any of the following events shall constitute an Event of Default under the Escrow Float Agreement:—

(a) the Escrow Agent shall fail, for any reason, to purchase, in accordance with the Escrow Agreement, any Qualified Securities tendered by the Qualified Dealer in accordance with the Escrow Float Agreement, provided, however, that such failure will not be an Event of Default if there has been no more than one other such failure

within the previous twelve calendar months and the Escrow Agent promptly pays on demand in immediately available funds any damages as calculated pursuant to Section 6.3 hereof;

(b) the Escrow Agent shall fail to perform any material obligation under the Escrow Float Agreement, other than as described in clause (a) above, or the Counterparty shall fail to perform any material obligation under the Acknowledgment Agreement; provided such failure will not be an Event of Default if such failure is curable and is cured within five Business Days after notice from the Provider;

(c) any representation or warranty of the Escrow Agent contained in the Escrow Float Agreement proves to have been incorrect, false or misleading in any material respect as of the date on which it was made; or

(d) any representation or warranty of the Counterparty contained in the Acknowledgment Agreement proves to have been incorrect, false or misleading in any material respect as of the date on which it was made.

Section 6.2 **Remedies.** Upon the occurrence of an Event of Default, the Provider shall have the right to:—

(a) cause the Qualified Dealer to redeliver to the Escrow Agent or sell to any other purchaser all of the Eligible Securities which were to be delivered under the Escrow Float Agreement which have not theretofore been delivered to and purchased by the Escrow Agent;

(b) immediately terminate the Escrow Float Agreement by giving notice thereof to the Escrow Agent with a copy to the Counterparty; and/or

(c) make demand for the payment of damages, by notice to the Escrow Agent, with a copy to the Counterparty, whereupon, subject to Section 3.2, the Escrow Agent shall pay to the Provider, as liquidated damages and not as a penalty, on demand, (i) an amount equal to its losses as calculated in accordance with Section 6.3 or (ii) if the Escrow Float Agreement has been terminated pursuant to clause (b) above, an amount equal to the Termination Amount. If any such amount is not paid when due, the Escrow Agent shall pay interest thereon for each date such amount is due but not paid at the Default Rate.

Section 6.3 **Loss Amount if Failed or Late Purchase.** Subject to Section 3.2, if the Escrow Agent fails to purchase any Qualified Securities delivered by the Qualified Dealer in accordance with the Escrow Float Agreement, the Escrow Agent shall pay to the Provider as liquidated damages for its losses and not as a penalty, on demand by the Provider, the sum of (a) interest at the Default Rate, on the Maturity Amount of such Qualified Securities for each day from and including the date such securities were tendered for delivery to but excluding the date on which such securities are resold to a third party or to the Escrow Agent, (b) the excess, if any, of the Maturity Amount of such Qualified Securities over the amount received by the Provider upon such resale of the securities (the "Shortfall Amount"), (c) interest at the Default Rate on the Shortfall Amount from and including the resale date to but excluding the date on which the Escrow Agent compensates the Provider for its losses as described herein, and (d) any incidental costs and expenses incurred by the Provider in connection with the Escrow Agent's failure to so purchase such Qualified Securities, including reasonable legal fees and expenses ("Incidental Expenses"); provided that if the Provider elects not to cause the Qualified Dealer to redeliver the Qualified Securities to the Escrow Agent or resell such Qualified Securities to a third party, the Provider's damages shall be calculated as the sum of (x) the excess of the Maturity Amount of the Qualified Securities which the Escrow Agent failed to purchase over the Market Value thereof, (y) interest at the Default Rate on such excess from the date of attempted delivery to the Escrow Agent in accordance with the Escrow Float Agreement to but excluding the date on which the Escrow Agent compensates the Provider for its losses and (z) any Incidental Expenses; and provided further that if such failure arises in connection with a delivery of Qualified Securities pursuant to Section 2.3(a) hereof, the Provider's damages shall be calculated as the sum of (1) the excess of the market value (as reasonably determined by the Provider), including any accrued interest thereon, of the Previously Purchased Securities (as

defined in Section 2.3(a)) which were to be used to purchase such Qualified Securities over the Market Value of such Qualified Securities and (2) interest at the Default Rate on such excess from the date of attempted delivery to the Escrow Agent in accordance with the Escrow Float Agreement to but excluding the date on which the Escrow Agent compensates the Provider for its losses and (3) any Incidental Expenses. All calculations of default interest herein shall be calculated on the basis of daily compounding.

Section 6.4 **Limited Rights Against the Escrow Account.** The Provider shall not have any right to any securities (or the proceeds of any securities) held in the Escrow Account except as expressly provided herein upon the delivery of a Qualified Security in accordance with the Escrow Float Agreement. The Provider acknowledges and agrees that it has no lien upon or claim against the securities and amounts held in the Escrow Account. No damages that may be owed to the Provider shall be paid from amounts held in the Escrow Account.

Section 6.5 **No Waiver; Remedies Cumulative.** No failure or delay on the Provider's part in exercising any right or remedy under the Escrow Float Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. The Provider's rights and remedies under the Escrow Float Agreement are cumulative and not exclusive to any rights or remedies provided by law, the Acknowledgment Agreement or otherwise.

Section 7. Miscellaneous

Section 7.1 **Notices.** All notices, demands or other communications under the Escrow Float Agreement shall be given or made in writing and shall be delivered personally, or sent by certified or registered mail, postage prepaid, return receipt requested, or overnight delivery service, telex or telecopy to the party to whom they are directed at the address specified with respect to such party set forth in the Escrow Float Agreement, or at such other addresses as may be designated by notice from such party to all other parties. Any notice, demand or other communication given in a manner prescribed in this Section 7.1 shall be deemed to have been delivered on receipt.

Section 7.2 **Binding Effect; Transfer.** The Escrow Float Agreement shall be binding upon and inure to the benefit of the Escrow Agent and the Provider and their respective permitted successors and assignees. The Provider may, at any time, without the consent of the Escrow Agent, transfer the Escrow Float Agreement and the Provider's rights, interests and obligations, if any, thereunder. Notwithstanding the foregoing, the Provider shall not transfer the Escrow Float Agreement unless it is also transferring the Acknowledgment Agreement in accordance with the conditions for the transfer thereof as set forth in Section 9.2 thereunder. The Provider shall promptly notify the Escrow Agent if it has transferred the Escrow Float Agreement and the Acknowledgment Agreement and shall in such notice confirm that the conditions of Section 9.2 of the Acknowledgment Agreement have been satisfied. Upon the Provider's delivery of such notice to the Escrow Agent, the transferee shall, for all purposes of the Escrow Float Agreement, become the Provider thereunder. Except as provided in Section 3.5, neither the Counterparty nor the Escrow Agent may transfer the Escrow Float Agreement, or any interest or obligation thereunder, without the prior written consent of the Provider.

Section 7.3 **Limitation.** Nothing expressed or implied herein is intended or shall be construed to confer upon any person, firm or corporation other than the parties to the Escrow Float Agreement, any right, remedy or claim by reason of the Escrow Float Agreement or any term hereof, and all terms contained herein shall be for the sole and exclusive benefit of the parties to the Escrow Float Agreement, and their permitted successors and transferees.

Section 7.4 **Termination.** Unless earlier terminated pursuant to Section 6.2 hereof, the Escrow Float Agreement shall terminate on the later of the last Maturity Date set forth in Exhibit A to the Escrow Float

Agreement and the date on which the Escrow Agent and the Counterparty have satisfied all of their obligations under this Escrow Float Agreement and the Acknowledgment Agreement.

Section 7.5 **Counterparts.** The Escrow Float Agreement may be executed in one or more counterparts and when each party thereto has executed at least one counterpart, the Escrow Float Agreement shall become binding on all parties and such counterparts shall be deemed to be one and the same document.

Section 7.6 **Severability.** If one or more provisions of the Escrow Float Agreement or the applicability of any such provisions to any set of circumstances shall be determined to be invalid or ineffective for any reason, such determination shall not affect the validity and enforceability of the remaining provisions or the applicability of the same provisions or any of the remaining provisions to other circumstances.

Section 7.7 **Amendments, Changes and Modifications.** None of the terms or provisions of the Escrow Float Agreement may be waived, modified or amended except by a written document authorized, executed and delivered by each of the parties to the Escrow Float Agreement. In addition, if the Counterparty has confirmed in the Acknowledgment Agreement that a S&P Rating Agency Condition exists on the date hereof, or if on the date of such amendment the Prior Bonds are rated by Moody's, the parties to the Escrow Float Agreement will not materially amend or modify the Escrow Float Agreement except upon receipt of written notice from S&P and/or Moody's, as applicable, that such amendment or modification shall not adversely affect such rating agency's rating on the Prior Bonds.

Section 7.8 **Entire Agreement.** The Escrow Float Agreement, which includes the Escrow Float Standard Terms, and the Acknowledgment Agreement, which includes the Acknowledgment Agreement Standard Terms, together constitute the entire agreement and understanding of the parties with respect to their subject matter and supersede all oral communication and prior writings with respect thereto.

Section 7.9 **Submission to Jurisdiction.** The Provider and the Escrow Agent each hereby irrevocably submits to the non-exclusive jurisdiction of any court of the State of New York located in the Borough of Manhattan or the United States District Court for the Southern District of the State of New York located in the Borough of Manhattan for the purpose of any suit, action or other proceeding arising out of the Escrow Float Agreement, or any of the agreements or transactions contemplated thereby, at the election of the party initiating any such suit, action or proceeding, which is brought by or against the Provider or the Escrow Agent and each party hereby irrevocably agrees that all claims in respect of any such suit, action or proceeding may be heard and determined by any such court.

Section 7.10 **Governing Law.** The Escrow Float Agreement shall be governed by and construed in accordance with the laws of the State of New York (without reference to choice of law doctrine).

ISDA®

International Swaps and Derivatives Association, Inc.

ESCROW FLOAT AGREEMENT

dated as of

..... (the "Provider") and (the "Escrow Agent") have entered into this Escrow Float Agreement (this "Escrow Float Agreement").

Accordingly, the parties agree as follows: –

Part 1. Incorporation of Standard Terms and Conditions; Interpretation

(a) **Standard Terms and Conditions.** This Escrow Float Agreement is subject to the International Swaps and Derivatives Association, Inc. ("ISDA") Standard Terms and Conditions for Escrow Float Agreements (the "Escrow Float Standard Terms") (as published by ISDA), and will be governed in all relevant respects by the provisions set forth in the Escrow Float Standard Terms, without regard to any amendments to the Escrow Float Standard Terms subsequent to the date hereof. The provisions of the Escrow Float Standard Terms are incorporated by reference in, and shall be deemed to be a part of, this document as if set forth in full in this document with only such amendments thereto as are specifically set forth below.

(b) **Inconsistency.** In the event of any inconsistency between the provisions of this Escrow Float Agreement and the provisions of the Escrow Float Standard Terms, the provisions of this Escrow Float Agreement will prevail.

Part 2. Definitions

Section 1 of the Escrow Float Standard Terms is hereby amended to add the following definitions in their appropriate alphabetical order: –

"Acknowledgment Agreement" means the Acknowledgment Agreement dated as of between the Counterparty and the Provider.

"Additional Eligible Securities" means

"Counterparty" means

"Deposit Agreement" means the, dated as of between the Counterparty and the Escrow Agent.

"Escrow Account" means the account created under the Deposit Agreement and denominated therein as the

"Fee Amount" means \$.....

"Indenture" means the dated as ofbetweenand

"Qualified Dealer" meansor any other registered dealer in Eligible Securities selected by the Provider.

"Refunding Bonds" means

Part 3. Other Provisions

(a) **Election:** The following amendments to Section 2.2(b) of the Escrow Float Standard Terms will/will not* apply:—

(i) Section 2.2(b)(ii) of the Escrow Float Standard Terms is amended to read in its entirety as follows:—

(ii) Concurrently with the delivery of such Qualified Securities, unless otherwise directed by the Provider in writing, the Escrow Agent shall, subject to clause (iv) below, pay the Qualified Dealer delivering such Qualified Securities the Market Value thereof, and to the Qualified Dealer, as agent for the Provider, the Differential, if any.

(ii) Section 2.2(b) of the Escrow Float Standard Terms is hereby amended by adding the following subsection (iv) thereto:—

(iv) Notwithstanding Section 2.1(b), the Provider may, by giving the Escrow Agent one Business Day's prior written notice, direct the Escrow Agent to pay to the Qualified Dealer the Market Value of any Qualified Securities delivered to the Escrow Agent hereunder and the Differential, if any, directly to the Provider. Any such payment to the Provider shall be at the Provider's account as specified in Part 5 of the Escrow Float Agreement.

(b)**Broker's Fees.** The Provider has paid \$as a broker's or arrangement fee to

* Delete as applicable.

Part 4.**Agreement to Deliver Documents**

For the purpose of Section 5.1(a) of the Escrow Float Standard Terms, the entity specified shall deliver the following documents as applicable:—

<u>Entity required to deliver document</u>	<u>Form/Document/Certificate</u>	<u>Date by which to be Delivered</u>
Counterparty	The report of independent certified public accountants (the "Verification Report"), addressed to the Provider, verifying that certain of the Escrowed Securities held in the Escrow Account, the proceeds of which, together with interest to be earned thereon, are to be used by the Escrow Agent to purchase Eligible Securities pursuant to this Escrow Float Agreement, are scheduled to mature on each Delivery Date specified in <u>Exhibit A</u> to this Escrow Float Agreement in an amount at least equal to the Maximum Amount set forth opposite such Delivery Date and that such proceeds and interest will, after application to pay any other amounts payable from the Escrow Account prior to the related Maturity Date, be available to purchase Eligible Securities in the amounts required to be purchased hereunder on each Delivery Date.	Upon the execution of this Escrow Float Agreement.
Counterparty	The Direction Letter substantially in the form of <u>Exhibit B</u> to this Escrow Float Agreement.	Upon the execution of this Escrow Float Agreement.
Counterparty	Acknowledgment Agreement	Upon the execution of this Escrow Float Agreement.
Escrow Agent	An opinion of counsel to the Escrow Agent substantially in the form of <u>Exhibit C</u> to this Escrow Float Agreement.	Upon the execution of the Escrow Float Agreement.
Provider	An opinion of counsel to the Provider substantially in the form of <u>Exhibit D</u> to this Escrow Float Agreement.	Upon the execution of the Escrow Float Agreement.
Counterparty	An opinion of counsel to the Counterparty substantially in the form of <u>Exhibit E</u> to this Escrow Float Agreement.	Upon the execution of the Escrow Float Agreement.

<u>Entity required to deliver document</u>	<u>Form/Document/Certificate</u>	<u>Date by which to be Delivered</u>
Counterparty	A copy of the Deposit Agreement certified by the Issuer as being a true and complete copy as in full force and effect on the Closing Date.	Upon the execution of the Escrow Float Agreement.
Counterparty/Escrow Agent	Any additional documents or certificates reasonably requested by the Provider.	Upon the execution of the Escrow Float Agreement.

Part 5. Notices; Wiring Instructions

To the Provider:

Name:
Address:
Attention:
Telephone:
Telecopy:

CASH WIRING INSTRUCTIONS:

Bank Name:
ABA #:
Account#:
Reference:

To the Escrow Agent:

Name:
Address:
Attention:
Telephone:
Telecopy:
Account Name and Number:

SECURITIES WIRING INSTRUCTIONS FOR DELIVERY OF BOOK-ENTRY
GOVERNMENT OBLIGATIONS:

Bank Name :
Account Name:
Account:

To the Counterparty:

Name:
Address:
Attention:
Telephone:
Telecopy:

ACCOUNT FOR DELIVERY OF FEE AMOUNT:

Bank Name:
ABA #:
Account #:
Reference:

IN WITNESS WHEREOF, the Escrow Agent and the Provider have caused this Escrow Float Agreement to be executed by their respective duly authorized officers, all as of the date and year first above written.

[ESCROW AGENT]

By: _____
Name:
Title:

[PROVIDER]

By: _____
Name:
Title:

EXHIBIT A

Delivery Date*

Maturity Date*

Maximum Amount

* If any Delivery Date or Maturity Date specified above is not a Business Day, such date will be the immediately succeeding Business Day; provided, however, that with respect to any date specified as a Maturity Date, the determination of whether such date is a Business Day shall be made without giving effect to clauses (c), (d) or (e) of the definition of Business Day.

[LETTERHEAD OF COUNTERPARTY]

DIRECTION LETTER

[Date]

[Escrow Agent Name and Address]

Re: [NAME OF PRIOR BONDS]

Ladies and Gentlemen:—

Reference is made to the Escrow Float Agreement, dated as of (the "Escrow Float Agreement"), by and between (the "Escrow Agent") and (the "Provider"), relating to the above-referenced Bonds (the "Prior Bonds"). Capitalized terms used herein and not defined herein have the respective meanings given to them in the Escrow Float Agreement.

Pursuant to the power and authority invested in us by the Deposit Agreement, we hereby authorize and direct you to enter into the Escrow Float Agreement and take all actions required and necessary to accomplish the purposes thereof including but not limited to the purchase of Qualified Securities as provided therein.

Very truly yours,

[Counterparty]

By: _____

Name:

Title:

[LETTERHEAD OF COUNSEL TO ESCROW AGENT]*

[Date]

[Counterparty Name and Address]

[Provider Name and Address]

Re: [NAME OF PRIOR BONDS]

Ladies and Gentlemen:—

We have acted as counsel to (the "Escrow Agent") in connection with the execution and delivery by the Escrow Agent of the Escrow Float Agreement, dated as of (the "Escrow Float Agreement"), by and between the Escrow Agent and(the "Provider"). Capitalized terms used herein and not defined herein have the respective meanings given to them in the Escrow Float Agreement.

In rendering this opinion, we have examined, among other things, copies of the Escrow Float Agreement, the Deposit Agreement and the Direction Letter.

In connection with the foregoing, we have also examined originals or copies satisfactory to us of all such corporate records, agreements, certificates and other documents as we have deemed relevant and necessary as a basis for the opinions hereinafter expressed. In such examination we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity with the authentic original documents of all documents submitted to us as copies.

In giving the opinions expressed below we do not purport to be experts in or generally familiar with or qualified to express legal opinions based on the laws of any jurisdiction other than the federal laws of the United States of America and the laws of the State of (the "State").

Based upon the foregoing examination and review, we are of the opinion that:—

(i) The Escrow Agent has full legal right, power and authority to enter into the Escrow Float Agreement.

(ii) The Escrow Float Agreement has been duly authorized, executed and delivered by the Escrow Agent.

(iii) Assuming the Escrow Float Agreement were governed by and construed in accordance with the laws of the State, the Escrow Float Agreement is a legal, valid and binding obligation of the Escrow Agent, enforceable against it in accordance with the terms thereof, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

* This form of opinion is provided solely as a matter of convenience. ISDA assumes no responsibility for the adequacy of this form of opinion for any particular transaction. The form and content of any opinion actually delivered is the sole responsibility of counsel involved in a particular transaction.

(iv) The execution and delivery by the Escrow Agent of the Escrow Float Agreement and the performance of its obligations thereunder do not and will not conflict with or constitute or result in a default under, a breach or violation of, or the creation of any lien or encumbrance on any of its property under, its charter or by-laws, the Deposit Agreement, or any other agreement, instrument, judgment, injunction or order applicable to it or any of its property.

(v) The Deposit Agreement is a legal, valid and binding obligation of the Escrow Agent, enforceable against it in accordance with the terms thereof, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

We are furnishing this opinion to you solely for your benefit and no other person is entitled to rely hereon. This opinion is not to be used, circulated, quoted or otherwise referred to for any other purpose.

Very truly yours,

[LETTERHEAD OF COUNSEL TO PROVIDER]*

[Date]

[Counterparty Name and Address]

[Escrow Agent Name and Address]

Re: [NAME OF PRIOR BONDS]

Ladies and Gentlemen: –

We have acted as counsel to (the "Provider"), in connection with its execution and delivery of the Escrow Float Agreement, dated as of (the "Escrow Float Agreement"), by and between the Provider and (the "Escrow Agent") and the Acknowledgment Agreement by and between the Provider and (the "Issuer"). Capitalized terms used herein and not defined herein have the respective meanings given to them in the Escrow Float Agreement.

In rendering this opinion, we have examined, among other things, a copy of the Escrow Float Agreement and the Acknowledgment Agreement.

In connection with the foregoing, we have also examined originals or copies satisfactory to us of all such corporate records, agreements, certificates and other documents as we have deemed relevant and necessary as a basis for the opinions hereinafter expressed. In such examination we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity with the authentic original documents of all documents submitted to us as copies.

In giving the opinions expressed below we do not purport to be expert in or generally familiar with or qualified to express legal opinions based on the laws of any jurisdiction other than the federal laws of the United States and the laws of and the opinions expressed herein are limited to the federal laws of the United States and the laws of

Based upon the foregoing examination and review, we are of the opinion that:—

(i) The Provider has full legal right, power and authority to enter into the Escrow Float Agreement and the Acknowledgment Agreement.

(ii) The Escrow Float Agreement and the Acknowledgment Agreement have each been duly authorized, executed and delivered by the Provider.

(iii) The Escrow Float Agreement and the Acknowledgment Agreement are each a legal, valid and binding agreement of the Provider, enforceable against it in accordance with their respective terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

*This form of opinion is provided solely as a matter of convenience. ISDA assumes no responsibility for the adequacy of this form of opinion for any particular transaction. The form and content of any opinion actually delivered is the sole responsibility of counsel involved in a particular transaction.

We are furnishing this opinion to you solely for your benefit and no other person is entitled to rely hereon. This opinion is not to be used, circulated, quoted or otherwise referred to for any other purpose.

Very truly yours,

[LETTERHEAD OF COUNSEL OF COUNTERPARTY]*

[Date]

[Escrow Agent Name and Address]

[Provider Name and Address]

Re: [NAME OF PRIOR BONDS]

Ladies and Gentlemen: –

We have acted as counsel to (the "Counterparty") in connection with the execution and delivery by the Counterparty of (i) the Acknowledgment Agreement, dated as of (the "Acknowledgment Agreement"), by and between the Counterparty and (the "Provider") and (ii) a letter of instructions, dated as of (the "Direction Letter"), authorizing (the "Escrow Agent") to provide for the reinvestment of certain investment proceeds of selected Eligible Securities for defined periods prior to the actual payment of the Prior Bonds pursuant to the Deposit Agreement (referred to below) by entering into the Escrow Float Agreement dated as of (the "Escrow Float Agreement") between the Escrow Agent and the Provider. Capitalized terms used herein and not defined herein have the respective meanings given to them in the Escrow Float Agreement.

In rendering this opinion, we have examined, among other things, copies of the Acknowledgment Agreement, the Escrow Float Agreement, the Direction Letter and the Deposit Agreement.

In connection with the foregoing, we have also examined originals or copies satisfactory to us of all such corporate records, agreements, certificates and other documents as we have deemed relevant and necessary as a basis for the opinions hereinafter expressed. In such examination we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity with the authentic original documents of all documents submitted to us as copies.

In giving the opinions expressed below we do not purport to be experts in or generally familiar with or qualified to express legal opinions based on the laws of any jurisdiction other than the federal laws of the United States and the laws of the [State of Counterparty] (the "State").

Based upon the foregoing examination and review, we are of the opinion that:—

- (i) The Counterparty has full legal right, power and authority to enter into the Acknowledgment Agreement and the Deposit Agreement and to authorize and direct the Escrow Agent, pursuant to the Direction Letter, to provide for the reinvestment of certain investment proceeds of selected Eligible Securities for defined periods prior to the actual payment of the Prior Bonds pursuant to the Deposit Agreement by entering into the Escrow Float Agreement.

* This form of opinion is provided solely as a matter of convenience. ISDA assumes no responsibility for the adequacy of this form of opinion for any particular transaction. The form and content of any opinion actually delivered is the sole responsibility of counsel involved in a particular transaction.

(ii) The Direction Letter, the Deposit Agreement and the Acknowledgment Agreement have been duly authorized, executed and delivered by the Counterparty.

(iii) Assuming the Escrow Float Agreement were governed by and construed in accordance with the laws of the State,* the Acknowledgment Agreement is a legal, valid and binding obligation of the Counterparty, enforceable against it in accordance with the terms thereof, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(iv) The Counterparty's execution and delivery of the Acknowledgment Agreement and the performance of its obligations thereunder do not and will not conflict with or constitute or result in a default under, a breach or violation of, or the creation of any lien or encumbrance on any of its property under the Deposit Agreement, or any other agreement, instrument, judgment, injunction or order applicable to it or any of its property.

(v) The Deposit Agreement is a legal, valid and binding obligation of the Counterparty, enforceable against it in accordance with the terms thereof, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(vi) The Counterparty is the exclusive owner of all rights purported to be granted to the Provider under the Escrow Float Agreement, free and clear of any liens, claims or charges other than those created by the Escrow Float Agreement.

(vii) The Counterparty is not entitled to claim immunity on the grounds of sovereignty or other similar grounds with respect to itself or its revenues, assets or property (irrespective of their use or intended use) from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) or (v) execution or enforcement of any judgment to which it or its revenues, assets or property might otherwise be made subject to in any suit, action or proceedings relating to the Acknowledgment Agreement in the courts of any jurisdiction and no such immunity (whether or not claimed) may be attributed to such party or its revenues or assets.

We are furnishing this opinion to you solely for your benefit and no other person is entitled to rely hereon. This opinion is not to be used, circulated, quoted or otherwise referred to for any other purpose.

Very truly yours,

* Insert if state law is other than New York law.

ESCROW FLOAT AGREEMENT
NOTICE OF DELIVERY

[Date of Notice]

[Qualified Dealer or Provider]

Security will be delivered by Qualified Dealer/Provider to:—

[account information as provided in Escrow Float Agreement]

Date of Delivery:—

Security Interest (if any) Maturity Date CUSIP Am't Due at Maturity Date ("Maturity Amount")

Purchase Price (same as Maturity Amount):—

Market Value = \$[]
Differential = \$[]

Payment Instructions:—

Maturity Amount to be paid as follows:—

[Market Value to be paid to Qualified Dealer
in its individual capacity; and the Differential to be
paid to Qualified Dealer in its capacity as agent for
the Provider at the following account]:—

[or]

[Market Value to be paid to Qualified Dealer
Differential to be paid to the Provider at the following accounts]:—

[or]

[Maturity Amount to be paid to the Provider]

[Account Information]

The Purchase Price of the securities being delivered has been set in accordance with the Escrow Float Agreement dated as of, between as Provider and as Escrow Agent.

PART B. ISDA STANDARD TERMS AND CONDITIONS FOR ACKNOWLEDGMENT AGREEMENTS

The ISDA Standard Terms and Conditions for Acknowledgment Agreements (the "Acknowledgment Agreement Standard Terms") are intended for use in connection with a document such as the ISDA Acknowledgment Agreement published by ISDA. Any or all of the following provisions may be incorporated into such a document by wording in the document indicating that, or the extent to which, the Acknowledgment Agreement Standard Terms are incorporated therein. Except as otherwise provided in a document, all provisions so incorporated in a document will be applicable to that document and all terms defined in the Acknowledgment Agreement Standard Terms when used in the document will have the respective meanings set forth in the Acknowledgment Agreement Standard Terms.

Section 1. Purchase and Sale of Eligible Securities

Section 1.1 **Direction by Counterparty.** In consideration of the payment of the Fee Amount that the Provider has made or is making to or on behalf of the Counterparty, the Counterparty has by letter dated the date hereof (the "Direction Letter") directed the Escrow Agent to enter into the Escrow Float Agreement pursuant to which the Escrow Agent is agreeing to purchase, under the terms specified therein, Qualified Securities. The Counterparty represents that the funds to be received as principal of or interest on the Escrowed Securities currently held by the Escrow Agent are sufficient in amount and mature at appropriate times to provide for the purchase of Qualified Securities in the Maximum Amounts and on the Delivery Dates set forth on Exhibit A to the Escrow Float Agreement.

Section 1.2 **Agreement.** The Counterparty has entered into the Acknowledgment Agreement with the Provider and directed the Escrow Agent to enter into the Escrow Float Agreement with the Provider in consideration of the Provider's payment of the Fee Amount.

Section 1.3 **References.** Except as otherwise specified, all references in the Acknowledgment Agreement Standard Terms to particular "Sections," "Subsections" and other subdivisions are to the particular Sections, Subsections and other subdivisions of the Acknowledgment Agreement Standard Terms. The words "herein," "hereof," "hereunder" and other words of similar import in the Acknowledgment Agreement Standard Terms refer to the entire Acknowledgment Agreement which incorporates the Acknowledgment Agreement Standard Terms by reference, and shall not refer to the Acknowledgment Agreement Standard Terms standing alone.

Section 2. Acknowledgments

Section 2.1 **Counterparty Acknowledgments.** The Counterparty acknowledges that for all purposes of the Acknowledgment Agreement and the Escrow Float Agreement and the transactions contemplated by the Escrow Float Agreement and the Acknowledgment Agreement (the "Transactions"):—

- (a) the Provider has acted solely as an independent contractor and has not acted and is not acting as a financial or investment advisor, fiduciary, agent or other representative for the Counterparty, the Escrow Agent, the holders of the Prior Bonds or the Refunding Bonds or for any other person;
- (b) neither the Provider nor any agent of the Provider has rendered any advice or counsel to the Counterparty, the Escrow Agent, whether directly or indirectly through any other person, as to the Escrow Float Agreement or the Transactions contemplated by the Escrow Float Agreement and this Acknowledgment Agreement or the advisability of entering into the Escrow Float Agreement and this Acknowledgment Agreement or the Transactions;
- (c) the Provider has made no investigation with respect to the tax-exempt status of the Prior Bonds or the Refunding Bonds and has no duty to do so, and neither the Provider nor any of its directors, officers, employees, agents or affiliates are or shall be liable or responsible for:— (i) the payment of any amounts owing on or with respect to the Prior Bonds or the Refunding Bonds; (ii) the use or application by the Escrow Agent of any moneys payable to the Escrow Agent under the Escrow Float Agreement; (iii) the validity, tax exemption or enforceability of, the Prior Bonds or the Refunding Bonds, the Indenture or the Deposit Agreement; or (iv) the Escrow Agent's

or the Counterparty's performance of its obligations under any agreement or instrument with respect to the Prior Bonds or the Refunding Bonds. Without limiting the foregoing, the Provider shall have no duty to ascertain whether the Escrow Agent or the Counterparty is in compliance with any applicable statute, regulation, law or agreement;

(d) the economic terms of the Acknowledgment Agreement have been individually negotiated by the Counterparty and, to the extent it has deemed necessary, the Counterparty has consulted with its own legal, tax and investment advisors regarding its decision to enter into the Acknowledgment Agreement; and

(e) by its receipt of the Fee Amount, the Counterparty has no further interest under the Deposit Agreement or otherwise in respect of the rights purported to be granted to the Provider under the Escrow Float Agreement and no further action shall be required to be taken by the Counterparty in order for the Provider to realize the benefits of such rights.

Section 3. Payment Obligations

Section 3.1 **Counterparty Payment Obligations.** If there has been an Event of Default under the Escrow Float Agreement and the Escrow Agent does not pay, within two Business Days of demand therefor, the amount due the Provider, including, but not limited to, any amount set forth in Section 6.3 of the Escrow Float Agreement or any Termination Amount which may be due (any such amount which may be due, the "Payment Obligations"), or if the Escrow Agent is not liable for, or asserts that it is not liable for, all of such Payment Obligations, the Counterparty shall pay to the Provider, promptly upon demand therefor, the amount of such Payment Obligations less any amounts in respect thereof paid by the Escrow Agent. Interest on any amount not paid when due shall accrue at the Default Rate from and including the date such amount was due to but excluding the date such amount was paid.

Section 4. Provider's Consent

Section 4.1 **Amendments; Exercise of Rights.** Without the Provider's express prior written consent, the Counterparty will not (i) amend or consent to the amendment of the Deposit Agreement or any document authorizing the Prior Bonds, (ii) exercise any right or option relating to any Escrowed Security, including any right or option to redeem or accelerate any Escrowed Security or reinvest the proceeds of or substitute for any Escrowed Security, (iii) direct the Escrow Agent to act in contravention of its obligations under the Escrow Float Agreement or reinvest other than pursuant to the Escrow Float Agreement, or hold uninvested, amounts required under the Escrow Float Agreement to be used to purchase Eligible Securities, or (iv) take or fail to take any action pursuant to the Deposit Agreement where such action or failure to act would qualify, impede or otherwise impair the Escrow Agent's ability to perform its duties under the Escrow Float Agreement or impair the rights and benefits of the Provider under the Escrow Float Agreement; provided, however, that nothing contained herein shall be interpreted to impair the Escrow Agent's obligation to pay principal, redemption premium, if any, and interest on the Prior Bonds.

Section 5. Conditions Precedent to the Provider's Obligations

Section 5.1 **Delivery of Documents.** The Counterparty acknowledges that the execution and delivery of the Acknowledgment Agreement is a condition precedent to the Provider's execution of the Escrow Float Agreement. The Counterparty shall cause to be delivered to the Escrow Agent and the Provider a legal opinion of counsel, in substantially the form of Exhibit E to the Escrow Float Agreement.

Section 6. Representations and Warranties

Section 6.1 **Representations and Warranties.** Each party to the Acknowledgment Agreement represents and warrants to the other party thereto that:—

(a) it has the power to enter into the Acknowledgment Agreement and to consummate the Transactions contemplated thereby;

(b) the Acknowledgment Agreement has been duly authorized, executed and delivered by it and, assuming the due authorization, execution and delivery hereof by the other party thereto, constitutes a legal, valid and binding obligation of it enforceable against it in accordance with the terms hereof, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity regardless of whether enforcement is sought in a proceeding in equity or at law; and

(c) the execution and delivery by it of the Acknowledgment Agreement, and in the case of the Counterparty, the performance of its obligations under the Acknowledgment Agreement, do not and will not conflict with or constitute or result in a default under, a breach or violation of, or the creation of any lien or encumbrance on any of its property under, its charter or by-laws, (and in the case of the Counterparty, the Deposit Agreement), or any other agreement, instrument, judgment, injunction or order applicable to it or any of its property.

Section 6.2 ***Additional Representations and Warranties of the Counterparty.*** The Counterparty represents and warrants to the Provider that:—

(a) all cash balances to be applied pursuant to the Acknowledgment Agreement and the Escrow Float Agreement to purchase Qualified Securities consist solely of amounts representing initial cash balances on deposit with the Escrow Agent under the Deposit Agreement at the date of execution of the Acknowledgment Agreement or amounts expected to be received as scheduled payments of principal of and interest on the Escrowed Securities; the Escrowed Securities are not subject to redemption and the Counterparty will not cause or permit them to be redeemed prior to their respective dates of maturity;

(b) it has made no prior agreement with respect to the right to invest the cash balances or the proceeds of the Escrowed Securities and has given no previous instructions under the Deposit Agreement or otherwise with respect to such amounts;

(c) The Counterparty is the exclusive owner of all rights purported to be granted to the Provider under the Escrow Float Agreement, free and clear of any liens, claims or charges other than those created by the Escrow Float Agreement;

(d) it is not entitled to claim, and shall not assert any claim, with respect to itself or its revenues, assets or property (irrespective of their use or intended use thereof), of immunity on the grounds of sovereignty or similar grounds from suit, jurisdiction of any court, relief by way of injunction, order for specific performance or for recovery of property, attachment of its assets (whether before or after judgment, in aid of execution, or otherwise) and execution or enforcement of any judgment to which it or its revenues or assets or property might otherwise be entitled in any suit, action or proceeding relating to the Acknowledgment Agreement in the courts of any jurisdiction, nor may there be attributed to the Counterparty or its revenues, assets or property and such immunity (nor shall such attribution be claimed by the Counterparty); and

(e) the Prior Bonds have been defeased in accordance with the requirements of the Indenture.

Section 7. Appointment of Successor Escrow Agent

Section 7.1 ***Rights of the Provider.*** If the Escrow Agent shall resign or be discharged from its duties and obligations under the Deposit Agreement or the Escrow Float Agreement, the Counterparty shall promptly notify the Provider and appoint a successor escrow agent pursuant to the terms of the Deposit Agreement and the Escrow Float Agreement; provided, however, the successor escrow agent shall be reasonably acceptable to the Provider. The Counterparty agrees that if the Escrow Agent fails for any reason to perform its duties to the Provider under the Escrow Float Agreement in accordance with the terms thereof, or breaches in any material respect its

representations and warranties to the Provider thereunder, the Counterparty shall, to the extent permitted under the Deposit Agreement, promptly upon request of the Provider appoint a successor escrow agent reasonably acceptable to the Provider.

Section 8. The Escrow Agent

Section 8.1 ***Fees and Expenses.*** The Counterparty shall pay the Escrow Agent for any fees and expenses incurred by the Escrow Agent under the Escrow Float Agreement and properly billed to the Counterparty pursuant to the Escrow Float Agreement.

Section 9. Miscellaneous

Section 9.1 ***No Waiver; Remedies Cumulative.*** No failure or delay on the part of the Provider in exercising any right or remedy under the Acknowledgment Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights and remedies of the Provider under the Acknowledgment Agreement are cumulative and not exclusive to any rights or remedies provided by law or in any other contract among the parties to the Acknowledgment Agreement.

Section 9.2 ***Binding Effect; Transfer.***

(a) The Acknowledgment Agreement shall be binding upon and inure to the benefit of the Counterparty and the Provider and their respective permitted successors and assignees. Subject to Section 9.2(b), the Provider shall be entitled to transfer the Acknowledgment Agreement and its interests thereunder (i) without the Counterparty's consent, to any subsidiary or affiliate of the Provider, or to any office, branch or subsidiary of any affiliate of the Provider, by giving written notice to the Counterparty and the Escrow Agent of such transfer and the name of the transferee and (ii) with the Counterparty's prior written consent (such consent not to be unreasonably withheld or delayed) and upon notice to the Escrow Agent, to any other person; provided, however, that if the Counterparty has not consented or objected to such transfer, in writing, within ten Business Days of the Provider's request therefor, the Counterparty's consent shall be deemed to have been given and the Provider may transfer the Agreement. Upon the Provider's transfer of the Acknowledgment Agreement in accordance with the provisions hereof the transferee shall, for all purposes thereof, become the Provider under the Acknowledgment Agreement. Neither the Counterparty nor the Escrow Agent may transfer the Acknowledgment Agreement, or any interest or obligation thereunder, without the prior written consent of the Provider.

(b) Notwithstanding anything to the contrary in the Acknowledgment Agreement, if the Counterparty has confirmed in the Acknowledgment Agreement that a S&P Rating Agency Condition exists on the date hereof, the parties thereto will not transfer the Acknowledgment Agreement except upon receipt of written notice from S&P that such transfer shall not adversely affect S&P's rating on the Prior Bonds.

Section 9.3 ***Limitation.*** Nothing expressed or implied herein is intended or shall be construed to confer upon any person, firm or corporation other than the parties to the Acknowledgment Agreement, any right, remedy or claim by reason of the Acknowledgment Agreement or any term thereof, and all terms contained herein shall be for the sole and exclusive benefit of the parties to the Acknowledgment Agreement, and their successors and permitted transferees.

Section 9.4 ***Termination.*** Unless earlier terminated by agreement of the parties to the Acknowledgment Agreement, the Acknowledgment Agreement shall terminate on the termination of the Escrow Float Agreement, provided that the obligations of the Counterparty under Section 3 hereof shall survive any such termination.

Section 9.5 **Counterparts.** The Acknowledgment Agreement may be executed in one or more counterparts and when each party thereto has executed at least one counterpart, the Acknowledgment Agreement shall become binding on all parties and such counterparts shall be deemed to be one and the same document.

Section 9.6 **Notices.** All notices, demands or other communications under the Acknowledgment Agreement shall be given or made in writing and shall be delivered personally, or sent by certified or registered mail, postage prepaid, return receipt requested, or overnight delivery service, telex or telecopy to the party to whom they are directed at the address specified with respect to such party set forth in the Escrow Float Agreement, or at such other addresses as may be designated by notice from such party to all other parties. Any notice, demand or other communication given in a manner prescribed in this Section 9.6 shall be deemed to have been delivered on receipt.

Section 9.7 **Severability.** If one or more provisions of the Acknowledgment Agreement or the applicability of any such provisions to any set of circumstances shall be determined to be invalid or ineffective for any reason, such determination shall not affect the validity and enforceability of the remaining provisions or the applicability of the same provisions or any of the remaining provisions to other circumstances.

Section 9.8 **Amendments, Changes and Modifications.** None of the terms or provisions of the Acknowledgment Agreement may be waived, modified or amended except by a written document authorized, executed and delivered by each of the parties thereto. If the Counterparty has in the Acknowledgment Agreement confirmed that a S&P Rating Agency Condition exists on the date hereof, or if on the date of such amendment the Prior Bonds are rated by Moody's, the parties to the Acknowledgment Agreement will not materially amend or modify the Acknowledgment Agreement except upon receipt of written notice from S&P and/or Moody's, as applicable, that such amendment or modification shall not adversely affect such rating agency's rating on the Prior Bonds.

Section 9.9 **Entire Agreement.** The Escrow Float Agreement, which includes the Escrow Float Standard Terms, and the Acknowledgment Agreement, which includes the Acknowledgment Agreement Standard Terms, together constitute the entire agreement and understanding of the parties with respect to their subject matter and supersede all oral communication and prior writings with respect thereto.

Section 9.10 **Submission to Jurisdiction.** The Provider and the Counterparty each hereby irrevocably submits to the non-exclusive jurisdiction of any court of the State of New York located in the Borough of Manhattan or the United States District Court for the Southern District of the State of New York located in the Borough of Manhattan for the purpose of any suit, action or other proceeding arising out of the Acknowledgment Agreement, or any of the agreements or transactions contemplated thereby, at the election of the party initiating any such suit, action or proceeding, which is brought by or against the Provider or the Counterparty, and each party hereby irrevocably agrees that all claims in respect of any such suit, action or proceeding may be heard and determined by any such court."

Section 9.11 **Governing Law.** The Acknowledgment Agreement shall be governed by and construed in accordance with the laws of the State of New York, (without reference to choice of law doctrine).

ISDA[®]

International Swaps and Derivatives Association, Inc.

ACKNOWLEDGMENT AGREEMENT

dated as of

..... (the "Counterparty") and..... (the "Provider") have entered into this Acknowledgment Agreement (the "Acknowledgment Agreement"). All capitalized terms used but not defined herein shall have the meanings given to them in the Escrow Float Agreement, dated as of the date hereof (the "Escrow Float Agreement"), between the Provider and as the Escrow Agent.

Accordingly, the parties agree as follows:—

Part 1. Incorporation of Standard Terms and Conditions; Interpretation

(a) **Standard Terms and Conditions.** This Acknowledgment Agreement is subject to the International Swaps and Derivatives Association, Inc. ("ISDA") Standard Terms and Conditions for Acknowledgment Agreements (the "Acknowledgment Agreement Standard Terms") (as published by ISDA), and will be governed in all relevant respects by the provisions set forth in the Acknowledgment Agreement Standard Terms, without regard to any amendments to the Acknowledgment Agreement Standard Terms subsequent to the date hereof. The provisions of the Acknowledgment Agreement Standard Terms are incorporated by reference in, and shall be deemed to be a part of, this document as if set forth in full in this document.

(b) **Inconsistency.** In the event of any inconsistency between the provisions of this Acknowledgment Agreement and the provisions of the Acknowledgment Agreement Standard Terms, this Acknowledgment Agreement will prevail.

Part 2. Broker's Fees

Broker's Fees. The Provider has paid \$ _____ as a broker's or arrangement fee to

Part 3. S&P Rating Agency Condition

S&P Rating Agency Condition. "S&P Rating Agency Condition" shall mean that the Prior Bonds on the date hereof are rated by S&P and are not insured by a bond insurer. The Counterparty hereby confirms that a S&P Rating Agency Condition exists/does not exist* on the date hereof.

* Delete as applicable

IN WITNESS WHEREOF, the Counterparty and the Provider have caused this Acknowledgment Agreement to be executed by their respective duly authorized officers, all as of the date and year first above written.

[COUNTERPARTY]

By: _____
Name:
Title:

[PROVIDER]

By: _____
Name:
Title: