

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D
Under the Securities Exchange Act of 1934
(Amendment No. n/a)*

BlackRock MuniHoldings Investment Quality Fund

(Name of Issuer)

VARIABLE RATE DEMAND PREFERRED SHARES

(Title of Class of Securities)

09254P702

(CUSIP Number)

Bank of America Corporation, BANK OF AMERICA CORPORATE CENTER CHARLOTTE, North Carolina 28255

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

April 17, 2014

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1	NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) BANK OF AMERICA CORP /DE/ 56-0906609	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS WC	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(e) or 2(f) <input checked="" type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 2746
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 2746
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 2746	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 100%	
14	TYPE OF REPORTING PERSON HC	

1	NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) Banc of America Preferred Funding Corporation 75-2939570		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP		(a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>
3	SEC USE ONLY		
4	SOURCE OF FUNDS WC		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(e) or 2(f)		<input type="checkbox"/>
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0	
	8	SHARED VOTING POWER 2746	
	9	SOLE DISPOSITIVE POWER 0	
	10	SHARED DISPOSITIVE POWER 2746	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 2746		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES		<input type="checkbox"/>
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 100%		
14	TYPE OF REPORTING PERSON CO		

Item 1. Security and Issuer

This Statement on Schedule 13D (this "Statement") relates to the purchase of variable rate demand preferred shares ("VRDP Shares") of BlackRock MuniHoldings Investment Quality Fund (the "Issuer" or the "Company"). This Statement is being filed by the Reporting Persons (as defined below) as a result of the purchase of VRDP Shares by BAPFC (as defined below). The Issuer's principal executive offices are located at 100 Bellevue Parkway, Wilmington, Delaware 19809.

Item 2. Identity and Background

- (a) This Statement is being filed on behalf of each of the following persons (collectively, the "Reporting Persons"):
- i. Bank of America Corporation ("BAC")
 - ii. Banc of America Preferred Funding Corporation ("BAPFC")
- This Statement relates to the VRDP Shares that were purchased for the account of BAPFC.
- (b) The address of the principal business office of BAC is:
Bank of America Corporate Center
100 North Tryon Street
Charlotte, North Carolina 28255
- The address of the principal business office of BAPFC is:
214 North Tryon Street
Charlotte, North Carolina 28255
- (c) BAC and its subsidiaries provide diversified global financial services and products. The principal business of BAPFC is to make investments and provide loans to clients.
- (d) Other than as set forth on Schedule II, during the last five years, none of the Reporting Persons, and to the best knowledge of the Reporting Persons, none of the Listed Persons, have been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which such person was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws, or finding any violation with respect to such laws.
- (e) Other than as set forth on Schedule II, during the last five years, none of the Reporting Persons, and to the best knowledge of the Reporting Persons, none of the Listed Persons, have been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which such person was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws, or finding any violation with respect to such laws.
- (f) Information concerning each executive officer, director and controlling person (the "Listed Persons") of the Reporting Persons is listed on Schedule I attached hereto, and is incorporated by reference herein. To the knowledge of the Reporting Persons, all of the Listed Persons are citizens of the United States, other than as otherwise specified on Schedule I hereto.

Item 3. Source and Amount of Funds or Other Consideration

The aggregate amount of funds used by the Reporting Persons to purchase the securities reported herein was approximately \$274,631,296.88. The source of funds was the working capital of the Reporting Persons.

The Reporting Persons declare that neither the filing of this Statement nor anything herein shall be construed as an admission that such person is, for the purposes of Section 13(d) of the Exchange Act or any other purpose, (i) acting (or has agreed or is agreeing to act together with any other person) as a partnership, limited partnership, syndicate, or other group for the purpose of acquiring, holding or disposing of securities of the Company or otherwise with respect to the Company or any securities of the Company or (ii) a member of any group with respect to the Company or any securities of the Company.

Item 4. Purpose of Transaction

BAPFC has purchased the VRDP Shares for investment purposes. BAPFC acquired the VRDP Shares in connection with a remarketing pursuant to the VRDP Shares Remarketing Agreement, dated as of June 30, 2011 between the Issuer and Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") as amended by that certain Amendment to the VRDP Shares Remarketing Agreement as of April 17, 2014 between the Issuer and MLPF&S (collectively, the "Remarketing Agreement") for a purchase price of \$274,631,296.88.

The Reporting Persons have not acquired the subject securities with any purpose, or with the effect of, changing or influencing control of the issuer, or in connection with or as a participant in any transaction having that purpose or effect.

- (a) See Item 4 above.
- (b) See Item 4 above.
- (c) See Item 4 above.
- (d) See Item 4 above.
- (e) See Item 4 above.
- (f) See Item 4 above.
- (g) See Item 4 above.
- (h) See Item 4 above.
- (i) See Item 4 above.
- (j) See Item 4 above.

Item 5. Interest in Securities of the Issuer

- (a) The responses of the Reporting Persons to Rows (7) through (11) of the cover pages of this Statement are incorporated herein by reference.
- (b) The responses of the Reporting Persons to Rows (7) through (11) of the cover pages of this Statement are incorporated herein by reference.
- (c) The responses of the Reporting Persons in Item 3 and Item 4 are incorporated herein by reference.

Transaction Date

Shares or Unites Purchased (Sold)

Price Per Share or Unit

- (d) No other person is known by the Reporting Persons to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, VRDP Shares that may be deemed to be beneficially owned by the Reporting Persons.
- (e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

The responses of the Reporting Persons to Item 4 are incorporated herein by reference. With respect to the VRDP Shares owned by BAPFC, on April 17, 2014, BAPFC assigned certain preferred class voting rights on the VRDP Shares to a voting trust (the "Voting Trust") created pursuant to the Voting Trust Agreement, dated April 17, 2014 among BAPFC, Lord Securities Corporation, as voting trustee (the "Voting Trustee") and Institutional Shareholder Services Inc. (the "Voting Consultant"). Voting and consent rights on the VRDP Shares not assigned to the Voting Trust have been retained by BAPFC. The Voting Trust provides that with respect to voting or consent matters relating to the voting rights assigned to the Voting Trust, the Voting Consultant analyzes such voting or consent matters and makes a recommendation to the Voting Trustee on voting or consenting. The Voting Trustee is obligated to follow any such recommendations of the Voting Consultant when providing a vote or consent.

The VRDP Shares will have the benefit of a liquidity purchase obligation at the times and in the manner specified in the VRDP Purchase Agreement, dated as of June 30, 2011, between The Bank of New York Mellon ("BNY") and Bank of America, N.A., as liquidity provider ("BANA") as amended by that certain Amendment to VRDP Purchase Agreement, dated as of April 17, 2014 between BNY and BANA. Certain agreements between the Issuer and BANA as liquidity provider are documented in the VRDP Shares Fee Agreement, dated as of June 30, 2011, between the Issuer and BANA, as amended by that certain (i) Request for Extension of Scheduled Termination Date and Agreement to Extend the VRDP Shares Fee Agreement dated as of March 29, 2012, between the Issuer and BANA, (ii) Amendment to the VRDP Shares Fee Agreement, dated as of June 25, 2012, between the Issuer and BANA, (iii) Request for Extension of Scheduled Termination Date and Agreement to Extend the VRDP Shares Fee Agreement, dated as of April 15, 2013, between the Issuer and BANA and (iv) Amendment to VRDP Shares Fee Agreement, dated as of April 17, 2014 between the Issuer and BANA.

Item 7. Material to Be Filed as Exhibits

Exhibit Description of Exhibit

- 99.1 Joint Filing Agreement
 - 99.2 Limited Power of Attorney
 - 99.3 Voting Trust Agreement
 - 99.4 VRDP Shares Purchase Agreement
 - 99.5 Amendment to the VRDP Shares Purchase Agreement
 - 99.6 VRDP Shares Fee Agreement
 - 99.7 Request for Extension of Scheduled Termination Date and Agreement to Extend the VRDP Shares Fee Agreement dated as of March 29, 2012
 - 99.8 Amendment to the VRDP Shares Fee Agreement dated as of June 25, 2012
 - 99.9 Request for Extension of Scheduled Termination Date and Agreement to Extend the VRDP Shares Fee Agreement dated as of April 15, 2013
 - 99.10 Amendment to the VRDP Shares Fee Agreement dated as of April 17, 2014
 - 99.11 VRDP Shares Remarketing Agreement
 - 99.12 Amendment to the VRDP Shares Remarketing Agreement
-

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

April 28, 2014

Bank of America Corporation

By: /s/ Sun Kyung Bae
Attorney-in-fact

April 28, 2014

Banc of America Preferred Funding Corporation

By: /s/ Edward Curland
Authorized Signatory

The original statement shall be signed by each person on whose behalf the statement is filed or his authorized representative. If the statement is signed on behalf of a person by his authorized representative (other than an executive officer or general partner of the filing person), evidence of the representative's authority to sign on behalf of such person shall be filed with the statement: provided, however, that a power of attorney for this purpose which is already on file with the Commission may be incorporated by reference. The name and any title of each person who signs the statement shall be typed or printed beneath his signature.

Footnotes:

Attention: Intentional misstatements or omissions of fact constitute Federal criminal violations (See 18 U.S.C. 1001)

JOINT FILING AGREEMENT

Pursuant to and in accordance with the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and the rules and regulations thereunder, each party hereto hereby agrees to the joint filing, on behalf of each of them, of any filing required by such party under Section 13 or Section 16 of the Exchange Act or any rule or regulation thereunder (including any amendment, restatement, supplement, and/or exhibit thereto) with the Securities and Exchange Commission (and, if such security is registered on a national securities exchange, also with the exchange), and further agrees to the filing, furnishing, and/or incorporation by reference of this agreement as an exhibit thereto. This agreement shall remain in full force and effect until revoked by any party hereto in a signed writing provided to each other party hereto, and then only with respect to such revoking party.

IN WITNESS WHEREOF, each party hereto, being duly authorized, has caused this agreement to be executed and effective as of the date set forth below.

Date: April 25, 2014

BANK OF AMERICA CORP. /DE/

By: /s/ Sun Kyung Bae

Name: Sun Kyung Bae

Title: Attorney-in-fact

BANC OF AMERICA PREFERRED FUNDING CORPORATION

By: /s/ Edward Curland

Name: Edward Curland

Title: Authorized Signatory

AMENDMENT

dated as of

April 17, 2014

to the

VRDP SHARES FEE AGREEMENT

dated as of

June 30, 2011

between

BlackRock MuniHoldings Investment Quality Fund
as Issuer

and

Bank of America, N.A.,
as Liquidity Provider

BlackRock MuniHoldings Investment Quality Fund
Series W-7
Variable Rate Demand Preferred Shares ("VRDP Shares")

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EXHIBITS:

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Exhibit E—Eligible Assets

**AMENDMENT TO THE
VRDP SHARES FEE AGREEMENT**

AMENDMENT TO THE VRDP SHARES FEE AGREEMENT dated as of April 17, 2014 (this “**Amendment**”)

BETWEEN:

- (1) **BlackRock MuniHoldings Investment Quality Fund**, a closed-end investment company organized as a Massachusetts business trust, as issuer (the “**Fund**”); and
- (2) **Bank of America, N.A.**, a national banking association, including its successors and assigns, as liquidity provider (the “**Liquidity Provider**”) and, to the extent provided herein, in its individual capacity.

WHEREAS:

The Fund entered into the VRDP Shares Fee Agreement with the Liquidity Provider, dated as of June 30, 2011, as amended (the “**VRDP Shares Fee Agreement**”) relating to the Fund’s Series W-7 Variable Rate Demand Preferred Shares (the “**VRDP Shares**”);

The Fund has determined to designate a Special Rate Period for the VRDP Shares pursuant to, and in accordance with, the Certificate of Designation. The Special Rate Period will commence on April 17, 2014 and end on April 19, 2017 or such later date to which it may be extended in accordance with the terms set forth under “Additional Provisions Relating to the Termination of Special Rate Period” in the Notice of Special Rate Period attached hereto as Exhibit A (the “**Notice of Special Rate Period**”). All references in this Amendment to the “Special Rate Period” shall be to such Special Rate Period; and

The Fund and the Liquidity Provider wish to modify certain provisions of the VRDP Shares Fee Agreement in respect of the rights and obligations of the Fund and the Liquidity Provider thereunder during the Special Rate Period, as set forth herein.

NOW, THEREFORE, in consideration of the respective agreements contained herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**ARTICLE I
DEFINITIONS**

Any capitalized terms used in this Amendment but not defined herein shall have the meanings given to such capitalized terms in the VRDP Shares Fee Agreement. The following defined terms shall apply to the VRDP Shares Fee Agreement only during the Special Rate Period:

“**Affiliate**” means, for purposes of Section 3.01, 3.02 and 3.04 of this Amendment, with respect to a Person, (i) any other Person who, directly or indirectly, is in control of, or controlled by, or is under common control with, such Person or (ii) any other Person who is a director, officer, employee or general partner (a) of such Person, (b) of any majority-owned subsidiary or parent company of such Person or (c) of any Person described in clause (i) above. For the purposes of this definition, “control” of a Person shall mean the power, direct or indirect, (x) to vote more than 25% of the securities having ordinary voting power for the election of directors of such Person or (y) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise. For the avoidance of doubt, the term “Affiliate” shall include a tender option bond trust of which BANA and/or one or more of its Affiliates collectively owns a majority of the residual interests.

“**Amendment to the Purchase Agreement**” means the amendment, dated as of April 17, 2014, to the VRDP Shares Purchase Agreement, dated as of June 30, 2011, by and between the Liquidity Provider and the Tender and Paying Agent.

“**Amendment to the Remarketing Agreement**” means the amendment, dated as of April 17, 2014, to the VRDP Shares Remarketing Agreement, dated as of June 30, 2011, by and between the Fund and the Remarketing Agent.

“**Amendment to the Tender and Paying Agent Agreement**” means the amendment, dated as of April 17, 2014, to the Tender and Paying Agent Agreement, dated as of June 30, 2011, by and between the Fund and the Tender and Paying Agent.

“**Applicable Law**” means the law of The Commonwealth of Massachusetts and the federal law of the United States of America (including, without limitation, the 1940 Act), and those provisions of the Massachusetts Business Corporation Act incorporated by reference in Section 8.16 of the VRDP Shares Fee Agreement.

“**BANA**” means, unless the context indicates otherwise, Bank of America, N.A., in its individual capacity and not in its capacity as Liquidity Provider.

“**Certificate of Amendment**” means the Fund’s Amendment to the Certificate of Designation Establishing and Fixing the Rights and Preferences of Variable Rate Demand Preferred Shares, dated as of April 17, 2014.

“**Effective Leverage Ratio**” means the quotient of:

(A) the sum of (i) the aggregate liquidation preference of the Fund’s “senior securities” (as that term is defined in the 1940 Act) that are stock, plus any accumulated but unpaid dividends thereon, excluding, without duplication, any such senior securities for which the Fund has issued a Notice of Redemption and either has delivered Deposit Securities to the Tender and Paying Agent or otherwise has adequate Deposit Securities on hand and segregated on the books and records of the Custodian for the purpose of such redemption; (ii) the aggregate principal amount of a Fund’s “senior securities representing indebtedness” (as that term is defined in the 1940 Act), plus any accrued but unpaid interest thereon; (iii) the aggregate principal amount of floating rate trust certificates corresponding to the associated residual floating rate trust certificates owned by the Fund (less the aggregate principal amount of any such floating rate trust certificates owned by the Fund and corresponding to the associated residual floating rate trust certificates owned by the Fund); and (iv) the aggregate amount of the Fund’s repurchase obligations under repurchase agreements.

divided by

(B) the sum of (i) the Market Value of the Fund's total assets (including amounts attributable to senior securities but excluding, any assets consisting of Deposit Securities referred to in clause (A)(i) above), less the amount of the Fund's accrued liabilities (which accrued liabilities shall include net obligations of the Fund under each Derivative Contract in an amount equal to the Derivative Termination Value thereof payable by the Fund to the related counterparty), other than liabilities for the aggregate principal amount of senior securities representing indebtedness; and (ii) the aggregate principal amount of floating rate trust certificates corresponding to the associated residual floating rate trust certificates owned by the Fund (less the aggregate principal amount of any such floating rate trust certificates owned by the Fund and corresponding to the associated residual floating rate trust certificates owned by the Fund).

"Excluded Transfer" means any transfer of VRDP Shares (a) to a tender option bond trust in which BANA and/or its Affiliates collectively own all of the residual interests, (b) in connection with a distribution in-kind to the holders of securities of or receipts representing an ownership interest in any tender option bond trust in which BANA and/or its Affiliates own collectively all of the residual interests, provided that such distribution in-kind is pursuant to a mandatory termination of such tender option bond trust under the documents governing such tender option bond trust and such mandatory termination results from objective events or conditions outside of the control of BANA, its Affiliates and any holder of ownership interest in such tender option bond trust, (c) in connection with a repurchase financing transaction, (d) relating to a collateral pledge arrangement, (e) to a Person who, after giving effect to such transfer, together with any affiliated person (as defined in the 1940 Act) of such Person, will own, hold or control with power to vote, not more than 25% of the Outstanding VRDP Shares or (f) to BANA or an Affiliate of BANA.

"Initial Extended Termination Date," "Maximum Rate" "Special Rate Period Commencement Date," "SRP Applicable Rate," "SRP Calculation Date" and "SRP Subsequent Rate Period" shall have the meaning given to such terms in the Notice of Special Rate Period.

ARTICLE II

FEES DURING SPECIAL RATE PERIOD; SCHEDULED TERMINATION DATE; CALCULATION OF DIVIDENDS, AND OPTIONAL AND MANDATORY TENDERS

(a) Section 2.05(a) of the VRDP Shares Fee Agreement shall be amended by replacing the fee rate of 0.65% with a fee rate of 0.01% for each day during the Special Rate Period.

(b) Section 2.07 of the VRDP Shares Fee Agreement shall not be applicable during the Special Rate Period.

(c) Effective as of the Special Rate Period Commencement Date, the Scheduled Termination Date will be extended to the Initial Extended Termination Date and the Initial Extended Termination Date will constitute the Scheduled Termination Date.

(d) For the avoidance of doubt, during the Special Rate Period, the dividend rate on the VRDP Shares shall be calculated in accordance with the Notice of Special Rate Period delivered in connection with the establishment of the Special Rate Period.

(e) During the Special Rate Period, Beneficial Owners and Holders shall not have the right to tender their VRDP Shares for Remarketing pursuant to an Optional Tender.

(f) During the Special Rate Period, there shall be no Mandatory Tender Events or Mandatory Tenders or any consequences or penalties as a result of there being no Mandatory Tender Events or Mandatory Tenders.

ARTICLE III ADDITIONAL PROVISIONS APPLICABLE DURING SPECIAL RATE PERIOD

Except as otherwise expressly provided herein, each of the provisions of this Article III shall be applicable only during the Special Rate Period.

SECTION 3.01. Voting Rights.

(a) From (and including) the first day of the Special Rate Period to (and excluding) the last day thereof, and for so long as BANA together with any of its Affiliates individually or in the aggregate own at least 20% of the Outstanding VRDP Shares and the Fund has not failed to pay dividends on the VRDP Shares for two years, BANA, to the extent it owns any VRDP Shares, shall enter into and maintain, and cause such Affiliates that own any VRDP Shares to enter into and maintain, in full force and effect a voting trust agreement in substantially the form attached hereto as Exhibit B (a “**Voting Trust Agreement**”) and thereby convey into the voting trust, governed by the Voting Trust Agreement, the right to vote all of its VRDP Shares owned by it and such Affiliates as of the first day of the Special Rate Period or acquired any time thereafter and so owned, with respect to:

(i) the election of the two members of the Board of Trustees for which Holders of VRDP Shares are exclusively entitled to vote under Section 18(a)(2)(C) of the 1940 Act and all other rights given to Holders of VRDP Shares with respect to the election of the Board of Trustees of the Fund;

(ii) the conversion of the Fund from a closed-end management investment company to an open-end fund, or to change the Fund’s classification from diversified to non-diversified, each pursuant to Section 13(a)(1) of the 1940 Act (any of the foregoing, a “**Conversion**”), together with any additional voting or consent right under the Certificate of Designation that relates solely to any action or amendment to the Certificate of Designation that is so closely related to the Conversion that it would be impossible to give effect to the Conversion without implicating such additional voting or consent right; provided that any such additional voting or consent right shall not include any voting or consent right related to satisfying any additional term, condition or agreement which the Conversion is conditioned upon or subject to or, for the avoidance of doubt, any voting or consent right relating to any amendment or waiver of Section 6, 7 or 10 of the Certificate of Designation or any definitions relevant to any such Section;

(iii) the deviation from a policy in respect of concentration of investments in any particular industry or group of industries as recited in the Fund's registration statement, pursuant to Section 13(a)(3) of the 1940 Act (a "**Deviation**"), together with any additional voting or consent right under the Certificate of Designation that relates solely to any action or amendment to the Certificate of Designation that is so closely related to the Deviation that it would be impossible to give effect to the Deviation without implicating such additional voting or consent right; provided that any such additional voting or consent right shall not include any voting or consent right related to satisfying any additional term, condition or agreement which the Deviation is conditioned upon or subject to or, for the avoidance of doubt, any voting or consent right relating to any amendment or waiver of Section 6, 7 or 10 of the Certificate of Designation or any definitions relevant to any such Section; and

(iv) borrowing money, issuing senior securities, underwriting securities issued by other Persons, purchasing or selling real estate or commodities or making loans to other Persons other than in accordance with the recitals of policy with respect thereto in the Fund's registration statement, pursuant to Section 13(a)(2) of the 1940 Act (any of the foregoing, a "**Policy Change**"), together with any additional voting or consent right under the Certificate of Designation that relates solely to any action or amendment to the Certificate of Designation that is so closely related to the Policy Change that it would be impossible to give effect to the Policy Change without implicating such additional voting or consent right; provided that any such additional voting or consent right shall not include any voting or consent right related to satisfying any additional term, condition or agreement which the Policy Change is conditioned upon or subject to or, for the avoidance of doubt, any voting or consent right relating to any amendment or waiver of Section 6, 7 or 10 of the Certificate of Designation, Section 6.24 of the VRDP Shares Fee Agreement or any definitions relevant to any such section;

Each voting right set forth in clauses (i) through (iv) above is referred to herein as a "**Voting Right**."

(b) At all times that Voting Rights are subject to the Voting Trust Agreement, BANA or its Affiliate or designee will be the registered owner or Beneficial Owner of the VRDP Shares. If any dividend or other distribution in respect of the VRDP Shares is paid, such dividend or distribution will be paid directly to BANA or its Affiliate or designee owning such VRDP Shares; provided that any additional VRDP Shares subsequently acquired by BANA or its Affiliate will become part of the VRDP Shares covered by the Voting Trust Agreement.

(c) The Voting Rights of BANA and its Affiliates shall remain subject to the Voting Trust Agreement during the Special Rate Period for so long as BANA and its Affiliates collectively are the Beneficial Owners in the aggregate of 20% or more of the Outstanding VRDP Shares.

(d) At all times that the Voting Rights are subject to the Voting Trust Agreement, BANA, to the extent it is a Beneficial Owner of any VRDP Shares, shall irrevocably appoint and constitute, and shall cause each of its Affiliates that are Beneficial Owners of any VRDP Shares (other than a tender option bond trust to the extent BANA or an Affiliate (other than such trust) thereof and not such trust exercises the Voting Rights in respect of the VRDP Shares held by such trust) to irrevocably appoint and constitute the trustee under the Voting Trust Agreement (the “**Trustee**”) as its attorney-in-fact and agrees, and agrees to cause each of such Affiliates, to grant the Trustee one or more irrevocable proxies with respect to the Voting Rights and further agrees, and agrees to cause each of such Affiliates, to renew any such proxies that may lapse by their terms while the VRDP Shares are still subject to the Voting Trust Agreement.

(e) Notwithstanding the above provisions of this Section 3.01, upon the transfer of VRDP Shares during the Special Rate Period by BANA or any Affiliate thereof to any third party (other than a transfer to an Affiliate thereof, in which case such VRDP Shares shall remain subject to the Voting Trust Agreement), such VRDP Shares shall no longer be subject to the Voting Trust Agreement; provided, however, in connection with an Excluded Transfer:

(i) of the type specified in clause (a) of the definition of Excluded Transfer, the VRDP Shares shall remain subject to the Voting Trust Agreement until such time as the Fund, upon the request of BANA or the relevant Affiliate, enters into a voting arrangement satisfying Section 12(d)(1)(E)(iii) of the 1940 Act;

(ii) of the type specified in clauses (c) or (d) of the definition of Excluded Transfer, to the extent BANA or any of its Affiliates retains the right to vote or direct voting in connection with such transactions, the VRDP Shares shall remain subject to the Voting Trust Agreement until such time as there is a default by BANA or such Affiliate under the related repurchase transaction or collateral pledge arrangement; and

(iii) of the type specified in clauses (c) or (d) of the definition of Excluded Transfer, to the extent BANA or any of its Affiliates does not retain the right to vote or direct voting of such VRDP Shares in such transactions, such transactions do not permit the removal of the VRDP Shares’ rights transferred to the Voting Trust from the Voting Trust Agreement within the first 60 days of closing of such transferee becoming the Beneficial Owner of such VRDP Shares unless there is a default by BANA or such Affiliate under the related repurchase transaction or collateral pledge arrangement.

(f) Without the prior written consent of the Fund, BANA will not agree or consent, and agrees to cause its Affiliates not to agree or consent, to any amendment, supplement, modification or repeal of the Voting Trust Agreement, nor waive any provision thereof, if any such amendment, supplement, modification, repeal or waiver would (i) adversely affect the conveyance into the voting trust governed by the Voting Trust Agreement of all Voting Rights in respect of the VRDP Shares beneficially owned by BANA or its Affiliates or the voting of such VRDP Shares in accordance with the Voting Trust Agreement and this Agreement or (ii) terminate, replace or change the Voting Consultant (as defined in the Voting Trust Agreement) or the Trustee, in each case in effect at the start of the Special Rate Period; provided that, in the case of any proposed amendment, supplement, modification or repeal of the Voting Trust Agreement which is a result of a change in law or regulation or in the case of any termination, replacement or change of the Voting Consultant or the Trustee, the consent of the Fund shall not be unreasonably withheld or delayed and the consent of the Fund shall otherwise be in its sole discretion.

SECTION 3.02. Disposition of VRDP Shares.

(a) BANA shall not, and shall cause its Affiliates not to, sell, transfer or otherwise dispose of any or all of the VRDP Shares owned (legally or beneficially) by it during the Special Rate Period without the prior consent of the Fund, unless any such sale, transfer or disposition is made in accordance with Section 3.02(b) of this Amendment and the terms of the Notice of Special Rate Period.

(b) Notwithstanding Section 2.03 of the VRDP Shares Fee Agreement or Section 2(n) of the VRDP Shares Remarketing Agreement, subject to paragraph (f) below, during the Special Rate Period, BANA and its Affiliates may sell any or all of the VRDP Shares owned by it only to Persons that BANA reasonably believes are either (i) QIBs that are registered closed-end management investment companies, the common shares of which are traded on a national securities exchange (“**Closed-End Funds**”), banks or entities that are 100% direct or indirect subsidiaries of such banks’ publicly traded parent holding companies (collectively “**Banks**”), insurance companies, companies that are included in the S&P 500 Index (and their direct or indirect wholly owned subsidiaries) or registered open-end management investment companies or (ii) tender option bond trusts (whether tax-exempt or taxable) in which all investors are Persons that BANA reasonably believes are QIBs that are Closed-End Funds, Banks, insurance companies, companies that are included in the S&P 500 Index (and their direct or indirect wholly owned subsidiaries) or registered open-end management investment companies (or, in the case of a tender option bond trust in which an Affiliate of BANA retains a residual interest, an Affiliate of BANA that is a wholly owned direct or indirect subsidiary of Bank of America Corporation), in each case, pursuant to Rule 144A of the Securities Act or another available exemption from registration under the Securities Act, in a manner not involving any public offering within the meaning of Section 4(a)(2) of the Securities Act. The foregoing restrictions on transfer shall not apply to any VRDP Shares that may be registered in the future under the Securities Act or any subsequent transfer of such VRDP Shares thereafter. Notwithstanding the foregoing, the Fund shall have the right of first refusal in accordance with the Right of First Refusal Procedures on all proposed transfers of Outstanding VRDP Shares from BANA or an Affiliate thereof (other than an Excluded Transfer) to an unaffiliated third party which will upon settlement result in such unaffiliated third party holding and having purchased directly or indirectly in a series of related transactions (with the actual knowledge of BANA) from BANA (or BANA’s Affiliates in the aggregate), more than 25% of the Outstanding VRDP Shares; provided, that the foregoing right of first refusal shall apply in connection with the transfer of the residual interests in a tender option bond trust or the equity or residual interests of any other entity formed by BANA or its Affiliates to hold the VRDP Shares that results in the indirect transfer of more than 25% of the voting rights of the Outstanding VRDP Shares to an unaffiliated third party (other than an Excluded Transfer); provided, further, that in the case of a transfer of a residual interest in a tender options bond trust, the right of first refusal will apply to the residual interests and not the VRDP Shares. Any transfer in violation of this Section 3.02 shall be void *ab initio*.

(c) In connection with the right of first refusal set forth in Section 3.02(b) of this Amendment, the following procedures shall apply (the “**Right of First Refusal Procedures**”):

(i) BANA shall notify the Fund by Electronic Means of any proposed sale of VRDP Shares which would entitle the Fund to exercise its right of first refusal and such notification shall include the name and contact information of the prospective purchaser, the number of VRDP Shares subject to the proposed sale and the proposed sale price;

(ii) if the Fund wishes to exercise its right of first refusal, BANA must be notified of such election by the Fund by Electronic Means within three Business Days after delivery of notice from BANA, pursuant to subparagraph (i) above (not counting the day of delivery), and the price to be paid by the Fund with respect to such transfer will be the lesser of the (x) Liquidation Preference plus accrued and unpaid dividends and (y) the proposed sale price to the unaffiliated third party, provided, however, the price to be paid by the Fund with respect to any sale of the residual interests in a tender option bond trust or any sale of VRDP Shares by any tender option bond trust to anyone other than BANA or its Affiliates shall be at the proposed sale price;

(iii) the exercise of the right of first refusal by the Fund pursuant to subparagraph (ii) above shall be deemed to be the trade date for the purchase of the VRDP Shares by the Fund from BANA or its Affiliate, as the case may be, and the sale shall settle within 30 days after such trade date or, if the 30th day after such trade date is not a Business Day, then the next Business Day after such 30th day;

(iv) if BANA does not receive an affirmative response from the Fund pursuant to subparagraph (ii) above within the required time frame, such right of first refusal shall be deemed rejected by the Fund;

(v) any VRDP Shares purchased by the Fund pursuant to its exercise of the right of first refusal in subparagraph (ii) above shall not be subject to the limitations of Section 6.15 of the VRDP Shares Fee Agreement, provided such VRDP Shares shall be cancelled by the Fund within one Business Day after settlement of such purchase to the extent the Fund, together with the Investment Adviser and accounts or entities over which the Fund or the Investment Adviser exercises discretionary authority, owns or controls in the aggregate more than 25% of the Outstanding VRDP Shares; and

(vi) all purchases of VRDP Shares pursuant to the Fund’s right of first refusal shall be made only out of legally available funds for the redemption of shares of the Fund under Applicable Law and the Certificate of Designation and otherwise in accordance with Applicable Law and the Certificate of Designation.

(d) Anything herein to the contrary notwithstanding, except with respect to the deemed holding and ownership provided for above in respect of the Applicable Sections, any tender option bond trust to which VRDP Shares are transferred during the Special Rate Period and each of the beneficial owners thereof shall, subject to the provisions of the agreements governing the tender option bond trust, retain all of its other rights in respect of the VRDP Shares under the Certificate of Designation or Applicable Law, including, for the avoidance of doubt, its rights in respect of matters addressed by any of the Applicable Sections to the extent necessary for the protection or exercise of such other rights retained pursuant to this Section 3.02(d) or that are otherwise applicable as a result of the exercise of such other rights.

(e) Notwithstanding the foregoing, in connection with the extension of, or the failure to extend, the Initial Extended Termination Date in accordance with the terms of the VRDP Shares Purchase Agreement, any VRDP Shares beneficially owned by BANA or any of its Affiliates will be deemed automatically tendered for Remarketing and, if not successfully remarketed, will be deemed owned by the Liquidity Provider and subject to redemption, on the terms set forth in the Notice of Special Rate Period and in the Related Documents.

SECTION 3.03. Rating Agencies.

(a) Notwithstanding Section 6.05 of the VRDP Shares Fee Agreement, during the Special Rate Period, the Fund will use its best efforts to maintain a long-term preferred share rating of the VRDP Shares by at least two Rating Agencies, provided that the Fund shall not be required to maintain such ratings at any specific ratings category level.

(b) During the Special Rate Period, there shall be no other consequences, penalties or notices with respect to the withdrawal of the VRDP Shares' short-term preferred shares ratings by a Rating Agency.

(c) Notwithstanding Section 5(d) of the Certificate of Designation, the Board of Trustees of the Fund, without the approval of the Liquidity Provider or BANA, may terminate the services of any Rating Agency then providing a rating for the VRDP Shares and replace it with another NRSRO, provided that the Fund provides seven (7) days' notice by Electronic Means to the Liquidity Provider or BANA prior to terminating the services of a Rating Agency and replacing it with another NRSRO that, at the time of such replacement has (i) published a rating for the VRDP Shares and (ii) entered into an agreement with the Fund to continue to publish such rating subject to such NRSRO's customary conditions.

(d) (i)The Board of Trustees of the Fund, without the approval of the Liquidity Provider or BANA, may terminate the services of any Rating Agency then providing a rating for the VRDP Shares without replacement, provided that (A) the Fund has given the Tender and Paying Agent, and such terminated Rating Agency, the Liquidity Provider and BANA at least 45 calendar days' advance written notice of such termination of services, (B) the Fund is in compliance with the Rating Agency Provisions of such terminated Rating Agency at the time the notice required in the preceding clause (A) is given and at the time of the termination of such Rating Agency's services, and (C) the VRDP Shares continue to be rated by at least two Rating Agencies at and after the time of the termination of such Rating Agency's services.

(ii) On the date that the notice is given as described in clause (A) of the preceding Section 3.03(c)(i) and on the date that the services of the applicable Rating Agency are terminated, the Fund shall provide the Tender and Paying Agent and such terminated Rating Agency with an officers' certificate as to the compliance with the provisions of the preceding Section 3.03(c)(i).

(c) In the event that during the Special Rate Period a Rating Agency ceases to furnish a preferred share rating or the Fund terminates a Rating Agency in accordance with Section 3.03(b) or Section 3.03(c) of this Amendment, the Fund shall no longer be required to comply with the applicable Rating Agency Provisions of the Rating Agency so ceasing to furnish a preferred share rating or so terminated and, as applicable, the Fund shall be required to thereafter comply only with the Rating Agency Provisions of each Rating Agency then providing a rating for the VRDP Shares at the request of the Fund, and any credit rating of such terminated Rating Agency, to the extent it would have been taken into account in any of the provisions for such VRDP Shares during the Special Rate Period, shall be disregarded, and only the credit ratings of the Rating Agencies then providing a rating for the VRDP Shares shall be taken into account for purposes of the VRDP Shares, provided that, for purposes of determining the SRP Applicable Rate applicable to a SRP Calculation Period, any designation of a Rating Agency after the SRP Calculation Date for such SRP Calculation Period will take effect on or as of the next succeeding SRP Calculation Date.

SECTION 3.04. Information Reporting.

(a) The Fund agrees that, during the Special Rate Period and so long as BANA or any Affiliate thereof is the beneficial owner of any Outstanding VRDP Shares, it will deliver, or direct the Tender and Paying Agent to deliver, to BANA and any such Affiliate:

(i) on the fifteenth (15th) day of each calendar month (each a "Portfolio Reporting Date"), the information set forth in Exhibit C to this Amendment as of the end of the last Business Day of the calendar month immediately preceding the Portfolio Reporting Date;

(ii) on each Monday, provided that if a Monday is not a Business Day, then the next succeeding Business Day, the information set forth in Exhibit D to this Amendment and a calculation of the Effective Leverage Ratio and the Minimum VRDP Shares Asset Coverage of the Fund, in each case, as of the close of business on the immediately preceding Business Day; and

(iii) upon the failure of the Fund to maintain the Minimum VRDP Shares Asset Coverage as required by Section 6 of Part I of the Certificate of Designation or the Effective Leverage Ratio as required by Section 6.18 of the VRDP Shares Fee Agreement, notice of such failure within one (1) Business Day of the occurrence thereof.

SECTION 3.05. The Notice of Special Rate Period and Ambiguities

(a) During the Special Rate Period, the terms and provisions of the Notice of Special Rate Period shall be deemed a part of the Certificate of Designation.

(b) In the event of any conflict between the terms of the Notice of Special Rate Period and the terms of the VRDP Shares Fee Agreement (as amended by this Amendment) or the Related Documents (as amended by any amendments thereto), the terms of the Notice of Special Rate Period shall govern.

**ARTICLE IV
OTHER AMENDMENTS**

(a) Exhibit E of the VRDP Shares Fee Agreement shall be deleted and replaced in its entirety with Exhibit E attached hereto; provided, however, Section 2 of Exhibit E attached hereto shall be inapplicable during the Special Rate Period.

(b) the definition of "Managed Assets" in the VRDP Shares Fee Agreement shall be deleted and replaced in its entirety with the following:

"Managed Assets" means the Fund's total assets (including any assets attributable to money borrowed for investment purposes) minus the sum of the Fund's accrued liabilities (other than money borrowed for investment purposes). For the avoidance of doubt, assets attributable to money borrowed for investment purposes includes the portion of the Fund's assets in a tender option bond trust of which the Fund owns the residual interest (without regard to the value of the residual interest to avoid double counting).

(c) Section 6.17 of the VRDP Shares Fee Agreement shall be amended to include the words "; provided, however, that the Fund, may invest up to 100% of it Managed Assets in securities issued by money market funds that invest exclusively in Eligible Assets" at the end of the sentence.

**ARTICLE V
REPRESENTATIONS AND WARRANTIES OF THE FUND**

The representations and warranties set out in this Article IV are given hereunder by the Fund to BANA, in its individual capacity and as the Liquidity Provider, on the date hereof.

SECTION 5.01. Existence.

The Fund is validly existing as a trust under the laws of the Commonwealth of Massachusetts, with full right and power to execute, deliver and perform its obligations under this Amendment, the Amendment to the Remarketing Agreement, the Amendment to the Tender and Paying Agent Agreement, the Certificate of Amendment and the Notice of Special Rate Period (collectively, the "Fund Amendments").

SECTION 5.02. Authorization; Contravention.

The execution, delivery and performance by the Fund of the Fund Amendments are within the Fund's powers, have been duly authorized by all necessary action, require no action by or in respect of, or filing with, any governmental body, agency or official and do not violate or contravene, or constitute a default under, any provision of applicable law, charter, ordinance or regulation or of any agreement, judgment, injunction, order, decree or other instrument binding upon the Fund or result in the creation or imposition of any lien or encumbrance on any asset of the Fund, except for such violations or contraventions which would not have a material adverse effect on the Fund's ability to pay when due and otherwise perform its obligations under any Fund Amendment; provided, however, that the foregoing exception shall not apply to any violation or contravention of the Fund's charter.

SECTION 5.03. Binding Effect.

This Amendment, the Amendment to the Remarketing Agreement and the Amendment to the Tender and Paying Agent Agreement constitute valid and binding agreements of the Fund, in each case enforceable in accordance with their respective terms except as (i) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and (ii) the availability of equitable remedies may be limited by equitable principles of general applicability, it being understood that the enforceability of indemnification provisions may be subject to limitations imposed under applicable securities laws.

SECTION 5.04. Consents.

All consents, licenses, approvals, validations and authorizations of, and registrations, validations or declarations by or with, any shareholder of the Fund, court or any governmental agency or bureau required to be obtained in connection with the execution, delivery, performance, validity or enforceability against the Fund of the Fund Amendments to which the Fund is or will be a party have been obtained and are in full force and effect.

**ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF BANA**

The representations and warranties set out in this Article V are given hereunder by BANA, in its individual capacity and as the Liquidity Provider, to the Fund on the date hereof.

SECTION 6.01. Existence.

BANA is a national banking association duly organized and validly existing under the laws of the United States. BANA has all requisite power and authority to execute and deliver, and to perform its obligations under this Amendment and the Amendment to the Purchase Agreement, including, without limitation, the Purchase Obligation (the "BANA Amendments").

SECTION 6.02. Authorization; Contravention.

The execution, delivery and performance by BANA of the BANA Amendments are within BANA's powers, have been duly authorized by all necessary action, require no action by or in respect of, or filing with, any governmental body, agency or official and do not violate or contravene, or constitute a default under, any provision of applicable law, charter, ordinance or regulation or of any agreement, judgment, injunction, order, decree or other instrument binding upon BANA or result in the creation or imposition of any lien or encumbrance on any asset of BANA, except for such violations or contraventions which would not have a material adverse effect on BANA's ability to pay when due and otherwise perform its obligations under any BANA Amendment; provided, however, that the forgoing exception shall not apply to any violation or contravention of BANA's charter.

SECTION 6.03. Binding Effect

Each of the BANA Amendments constitutes a valid and binding agreement of BANA, in each case, enforceable in accordance with its terms except as (i) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and (ii) the availability of equitable remedies may be limited by equitable principles of general applicability, it being understood that the enforceability of indemnification provisions may be subject to limitations imposed under applicable securities laws.

SECTION 6.04. Consents.

All consents, licenses, approvals, validations and authorizations of, and registrations, validations or declarations by or with, any court or any regulatory, supervisory or governmental agency or bureau required to be obtained in connection with the performance of BANA under, or the execution, delivery by, or the validity or enforceability against, BANA of, the BANA Amendments have been obtained and are in full force and effect.

**ARTICLE VII
MISCELLANEOUS**

SECTION 7.01. Successors and Assigns.

The provisions of this Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Neither party hereto may assign or otherwise transfer any of its rights under this Amendment, by operation of law or otherwise, without the prior written consent of the other party. Any assignment without such prior written consent shall be void.

SECTION 7.02. Governing Law.

This Amendment shall be construed in accordance with and governed by the laws of the State of New York, without regard to conflict of laws principles that would require the application of the laws of another jurisdiction.

THE PARTIES HERETO HEREBY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF THE FEDERAL AND NEW YORK STATE COURTS LOCATED IN THE CITY OF NEW YORK AND ANY APPELLATE COURT FROM ANY THEREOF IN CONNECTION WITH ANY DISPUTE RELATED TO THIS AMENDMENT OR ANY MATTERS CONTEMPLATED HEREBY.

SECTION 7.03. Waiver of Jury Trial.

THE FUND AND BANA, IN ITS INDIVIDUAL CAPACITY AND AS THE LIQUIDITY PROVIDER, HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AMENDMENT.

SECTION 7.04. Counterparts.

This Amendment 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 7.05. Beneficiaries.

This Amendment is not intended and shall not be construed to confer upon any Person other than the parties hereto and their successors and permitted assigns any rights or remedies hereunder.

SECTION 7.06. Non-petition Covenant.

Notwithstanding any prior termination of the VRDP Shares Fee Agreement, BANA, in its individual capacity and in its capacity as Liquidity Provider, hereby covenants and agrees that it shall not, prior to the date which is one year and one day after the redemption and the payment in full of the VRDP Shares and all accumulated dividends, petition or otherwise invoke the process of any court or government authority for the purpose of commencing a case against the Fund under any federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Fund or any substantial part of the property of the Fund; provided, however, that nothing in this provision shall preclude, or be deemed to stop, BANA, in its individual capacity and in its capacity as Liquidity Provider, from taking any action prior to the expiration of the aforementioned one year and one day period in (x) any case or proceeding voluntarily filed or commenced by the Fund, (y) any involuntary insolvency proceeding filed or commenced against the Fund by a Person other than BANA, in its individual capacity or in its capacity as Liquidity Provider, or (z) with respect to its rights or preferences as a Beneficial Owner or Holder of VRDP Shares.

SECTION 7.07. Purchase of VRDP Shares by BANA.

The Fund acknowledges and agrees that, in connection with the Mandatory Tender of the VRDP Shares upon the occurrence of the Mandatory Tender Event resulting from the delivery by the Fund of the Notice of Proposed Special Rate Period, dated March 28, 2014, BANA or an Affiliate thereof purchased all of the VRDP Shares subject to Remarketing pursuant to such Mandatory Tender directly in its individual capacity and not in its capacity as Liquidity Provider pursuant to the Purchase Obligation. Accordingly, BANA has acknowledged that (i) such purchase of the VRDP Shares by BANA does not constitute a Failed Remarketing Condition-Purchased VRDP Shares, and (ii) except as provided in "Additional Provisions Relating to the Termination of Special Rate Period" in the Notice of Special Rate Period, the beneficial ownership of such VRDP Shares by BANA shall not require a Failed Remarketing Condition-Purchased VRDP Shares Redemption.

SECTION 7.08. Personal Liability.

This Agreement is executed by or on behalf of the trustees of the Fund solely in their capacity as such trustees, and shall not constitute their personal obligation either jointly or severally in their individual capacities. In accordance with the Charter, no trustee, shareholder, officer, employee or agent of the Fund shall be held to any personal liability, nor shall resort be had to their private property for the satisfaction of any obligation or claim or otherwise under this Agreement and the Fund shall be solely liable therefor; all parties hereto shall look solely to the Fund property for the payment of any claim, or the performance of any obligation, hereunder."

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

BLACKROCK MUNIHOLDINGS INVESTMENT QUALITY FUND

By: /s/ Robert W. Crothers

Name: Robert W. Crothers

Title: Vice President

BANK OF AMERICA, N.A., in its individual capacity and as Liquidity Provider

By: /s/ James Nacos

Name: James Nacos

Title: Authorized Signatory

Signature Page to the Amendment to MFL Fee Agreement

NOTICE OF SPECIAL RATE PERIOD

[On File]

FORM OF VOTING TRUST AGREEMENT

[See Exhibit 99.3]

PORTFOLIO INFORMATION

Reporting as of: _____

TOB Floaters: \$ _____

CUSIP	Portfolio Name	Description	Market Value	Payment Default (Yes/No)	Par Value	Rating	State
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

EFFECTIVE LEVERAGE RATIO AND ASSET COVERAGE INFORMATION

EFFECTIVE LEVERAGE RATIO TEST

Preferred Shares Outstanding -	[●]
Accrued Dividends	[●]
Total Preferred Liability	[●]
Preferred Shares Outstanding - VRDP	[●]
Accrued Dividends	[●]
Total Debt Senior Securities	[●]
Floater Issued by Trust	[●]
Market Value of Total Assets	[●]
Total Market Value of Total Assets	[●]
NOTE: Derivative Termination Value of Derivatives Contract	
Effective Leverage Ratio	[●]
Pass/Fail	[●]
ASSET COVERAGE RATIO TEST	
Minimum VRDP Shares Asset Coverage	[●]
Pass/Fail	[●]

ELIGIBLE ASSETS

On the Special Rate Period Commencement Date and at all times thereafter that the VRDP Shares Purchase Agreement is outstanding:

1. "Eligible Assets" are defined to consist only of assets that conform to the following requirements as of the time of investment:
 - A. Debt obligations: The following debt obligations which are not in payment default at the time of investment:
 - i. Debt obligations issued by a State, the District of Columbia or political subdivision thereof, including, but not limited to, limited obligation bonds, revenue bonds, and obligations that satisfy the requirements of Section 142(b)(1) of the Code issued by or on behalf of one or more States, or any public agency or authority of any State, or political subdivision of a State.
 - ii. Debt obligations issued by a U.S. Territory or political subdivision thereof, including limited obligation bonds, revenue bonds, and obligations that satisfy the requirements of section 142(b)(1) of the Code issued by or on behalf of one or more U.S. Territories, or any public agency or authority of any U.S. Territory, or political subdivision of a U.S. Territory, which are rated in one of the four highest rating categories ("investment grade") by two or more NRSROs, or by one NRSRO if rated by only one NRSRO, or by one NRSRO, in the case of debt obligations that are Defeased Securities, or are determined by the Investment Adviser in good faith application of its internal credit rating standards to be the credit equivalent of investment grade.
 - iii. Debt obligations of the United States.
 - iv. Debt obligations issued, insured, or guaranteed by a department or an agency of the U.S. Government, if the obligation, insurance, or guarantee commits the full faith and credit of the United States for the repayment of the obligation.
 - v. Debt obligations of the Washington Metropolitan Area Transit Authority guaranteed by the Secretary of Transportation under Section 9 of the National Capital Transportation Act of 1969.
 - vi. Debt obligations of the Federal Home Loan Banks.
 - vii. Debt obligations, participations or other instruments of or issued by the Federal National Mortgage Association or the Government National Mortgage Association.
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- viii. Debt obligations which are or ever have been sold by the Federal Home Loan Mortgage Corporation pursuant to sections 305 or 306 of the Federal Home Loan Mortgage Corporation Act.
- ix. Debt obligations of any agency named in 12 U.S.C. § 24(Seventh) as eligible to issue obligations that a national bank may underwrite, deal in, purchase and sell for the bank's own account, including qualified Canadian government obligations.
- x. Debt obligations of issuers other than those specified in (i) through (ix) above that are rated in one of the three highest rating categories by two or more NRSROs, or by one NRSRO if the security has been rated by only one NRSRO and that are "marketable." For these purposes, an obligation is "marketable" if:
 - it is registered under the Securities Act;
 - it is offered and sold pursuant to Securities and Exchange Commission Rule 144A; 17 CFR 230.144A; or
 - it can be sold with reasonable promptness at a price that corresponds reasonably to its fair value.
- xi. Certificates or other securities evidencing ownership interests in a municipal bond trust structure (generally referred to as a tender option bond structure) that invests in (a) debt obligations of the types described in (i) or (ii) above or (b) depository receipts reflecting ownership interests in accounts holding debt obligations of the types described in (i) or (ii) above which with respect to both "a" and "b" are rated, or credit enhanced by a third party that is rated, in one of the three highest rating categories by two or more NRSROs, or by one NRSRO if such debt obligations or depository receipts or third party credit enhancement providers have been rated by only one NRSRO.

An asset shall not lose its status as an Eligible Asset solely by virtue of the fact that:

- it provides for repayment of principal and interest in any form including fixed and floating rate, zero interest, capital appreciation, discount, leases, and payment in kind; or
- it is for long-term or short-term financing purposes.

B. Derivatives

- i. Interest rate derivatives;
 - ii. Swaps, futures, forwards, structured noted, options and swaptions related to Eligible Assets or on an index related to Eligible Assets;
 - iii. Credit default swaps; or
-

- iv. Common shares issued by open-end investment companies registered under the 1940 Act, swaps, futures, forwards, structured notes, options, swaptions, or other derivatives contracts that are designed solely to hedge the Fund's obligations under its deferred compensation plan, provided, that any such swap, future, forward, structured note, option, swaption, or other derivatives contract is not itself an equity security or a derivative based on a commodity, and may only be settled in cash (any asset under this clause iv, a "**Deferred Compensation Hedge Asset**"); provided, that the Deferred Compensation Hedge Assets so acquired do not constitute more than 0.05% of the Fund's Managed Assets as of the time of investment.

C. Other Assets

- i. Securities issued by other investment companies (open- or closed-end funds and ETFs) that invest exclusively in Eligible Assets.
- ii. Cash.
- iii. Repurchase agreements on assets described in A above.
- iv. Taxable fixed-income securities, for the purpose of acquiring control of an issuer whose municipal bonds (a) the Fund already owns and (b) have deteriorated or are expected shortly to deteriorate that such investment should enable the Fund to better maximize its existing investment in such issuer, provided, that the Fund may invest no more than 0.5% of its Managed Assets in such securities.
- v. Any assets received by the Fund from by an issuer described in Section 1(A) (a "**Permitted Issuer**") as the result of a default by the Permitted Issuer of its obligations under a debt obligation of such issuer described in Section 1(A) or of the bankruptcy or restructuring of the Permitted Issuer.

D. Other assets, upon written agreement of the Liquidity Provider that such assets are eligible for purchase by the Fund.

2. The Fund will provide the following information at the Special Rate Period Commencement Date (for purposes of the information to be provided at the Special Rate Period Commencement Date, such information shall be as of a date no earlier than two days prior to the Special Rate Period Commencement Date), and within 10 days after the end of every calendar quarter thereafter for every debt security in the fund:

- i. The identity of each portfolio holding (including the name of the issuer and obligor and the security and CUSIP Number);
 - ii. The par value for each portfolio holding; and
 - iii. The identity of any portfolio holding that is in payment default.
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3. For any investment company the shares of which are held by the Fund, other than shares of any money market fund, the Fund will provide the following information at the Special Rate Period Commencement Date (for the purposes of the information to be provided at the Special Rate Period Commencement Date, such information shall be as of a date no earlier than two days prior to the Special Rate Period Commencement Date) and within 10 days after the end of every calendar quarter after the Special Rate Period Commencement Date:
 - i. the identity of the investment company and the CUSIP Number, the number of shares owned, and the percentage of the investment company's equity represented by the Fund's investment;
 - ii. a representation that the portfolio of each fund investment consists solely of "Eligible Assets" based upon the affirmative representation of the underlying investment company's investment adviser; and
 - iii. the information contained in the most recently released financial statements of each such underlying investment company relating to the portfolio holdings of each such investment company.
 4. The Fund will purchase Eligible Assets (primarily Municipal Obligations) for its portfolio based upon the Investment Adviser's assessment of an asset's relative value in terms of current yield, price, credit quality, and future prospects; and will monitor the continued creditworthiness of its portfolio investments and analyze economic, political and demographic trends affecting the markets for such assets.
 5. The Fund has instituted policies and procedures that it believes are sufficient to ensure that the Fund comply with the representations, warranties and covenants contained in Section 6.16 of the VRDP Shares Fee Agreement.
 6. The Fund will, upon request, provide the Liquidity Provider and its internal and external auditors and inspectors as the Liquidity Provider may from time to time designate, with all reasonable assistance and access to information and records of the Fund relevant to the Fund's compliance with and performance of the representations, warranties and covenants terms of Section 6.16 of the VRDP Shares Fee Agreement, but only for the purposes of internal and external audit.
 7. No Eligible Asset described in Section 1(A) above that is held by the Fund was in payment default at the time it was acquired by the Fund.
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BLACKROCK MUNIHOLDINGS INVESTMENT QUALITY FUND

AND

**MERRILL LYNCH, PIERCE, FENNER &
SMITH INCORPORATED**

VRDP SHARES REMARKETING AGREEMENT

Dated as of June 30, 2011

VRDP SHARES REMARKETING AGREEMENT

This VRDP SHARES REMARKETING AGREEMENT, dated as of June 30, 2011 (this “**Agreement**”), by and among BlackRock MuniHoldings Investment Quality Fund, a non-diversified, closed-end investment company organized as a Massachusetts business trust (the “**Fund**”) and Merrill Lynch, Pierce, Fenner & Smith Incorporated, a Delaware corporation (the “**Remarketing Agent**”).

WITNESSETH:

WHEREAS, the Fund expects to issue 2,746 Series W-7 Variable Rate Demand Preferred Shares, par value \$0.10 per share (“**VRDP Shares**”), with a liquidation preference of \$100,000 per share (the “**Liquidation Preference**”), pursuant to and with the preferences, voting powers, restrictions, limitations as to dividends, qualifications, and terms and conditions of redemption assigned to them in the Fund’s Certificate of Designation (as defined below);

WHEREAS, the VRDP Shares will be distributed by BlackRock Investments, LLC (the “**Placement Agent**”), acting on an agency basis pursuant to the terms of a placement agreement, dated as of June 28, 2011 between the Fund and the Placement Agent (the “**Placement Agreement**”);

WHEREAS, in connection with an Optional Tender, Beneficial Owners of VRDP Shares or their Agent Members may elect to tender their VRDP Shares (in denominations of \$100,000 and integral multiples thereof) for purchase at the Purchase Price on the Purchase Date designated in the Notice of Tender (or if such day is not a Business Day, on the next succeeding Business Day) after delivery of a Notice of Tender to The Bank of New York Mellon (the “**Tender and Paying Agent**”), with a copy to the Remarketing Agent, or, in the event (i) no Remarketing occurs on or before the Purchase Date or (ii) pursuant to an attempted Remarketing, VRDP Shares remain unsold and the Remarketing Agent does not purchase for its own account the unsold VRDP Shares tendered to the Tender and Paying Agent for Remarketing (provided, that the Remarketing Agent may seek to sell such VRDP Shares in a subsequent Remarketing prior to the Purchase Date), the Tender and Paying Agent will deliver all unsold VRDP Shares that have been delivered to the Tender and Paying Agent to Bank of America, N.A., or its successors or assigns, as liquidity provider (the “**Liquidity Provider**”) for purchase at the Purchase Price pursuant to the Certificate of Designation and the VRDP Shares Purchase Agreement;

WHEREAS, VRDP Shares will be subject to Mandatory Tender for Remarketing at the Purchase Price for purchase on the designated Purchase Date upon the occurrence of a Mandatory Tender Event, or, in the event (i) no Remarketing occurs on or before the Purchase Date or (ii) pursuant to an attempted Remarketing, VRDP Shares remain unsold and the Remarketing Agent does not purchase for its own account the unsold VRDP Shares tendered to the Tender and Paying Agent for Remarketing (provided, that the Remarketing Agent may seek to sell such VRDP Shares in a subsequent Remarketing prior to the Purchase Date), the Tender and Paying Agent will deliver all unsold VRDP Shares that have been delivered to the Tender and Paying Agent to the Liquidity Provider for purchase at the Purchase Price on the Purchase Date pursuant to the Certificate of Designation and the VRDP Shares Purchase Agreement;

WHEREAS, the Fund has requested Merrill Lynch, Pierce, Fenner & Smith Incorporated to act as the Remarketing Agent under this Agreement in accordance with the provisions of the Certificate of Designation (and the Board of Directors of the Fund has adopted a resolution appointing Merrill Lynch, Pierce, Fenner & Smith Incorporated as the Remarketing Agent) to perform the duties set forth herein and to perform such other duties as are assigned to the Remarketing Agent herein and in the Certificate of Designation, all pursuant to the procedures set forth in the Certificate of Designation and the offering memorandum in respect of the Fund's offering of Series W-7 VRDP Shares, dated June 29, 2011 as amended, revised or supplemented from time to time, including in connection with any Remarketing, if applicable (the "**Offering Memorandum**"); and

WHEREAS, the Remarketing Agent is willing to assume such duties on the terms and conditions expressly set forth herein.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Definitions. Capitalized terms used herein that are not otherwise defined shall have the meanings assigned to them in the Certificate of Designation. Any day not referred to herein as a Business Day shall mean a calendar day.

"**1940 Act**" means the Investment Company Act of 1940, as amended.

"**1940 Act Documents**" has the meaning set forth in Section 3(d).

"**1940 Act Regulations**" has the meaning set forth in Section 3(d).

"**Agent Member**" means a Person with an account at the Securities Depository that holds one or more VRDP Shares through the Securities Depository, directly or indirectly, for a Beneficial Owner and that will be authorized and instructed, directly or indirectly, by a Beneficial Owner to disclose information to the Remarketing Agent and the Tender and Paying Agent with respect to such Beneficial Owner.

"**Agreement**" has the meaning set forth in the preamble hereto.

"**Alternate VRDP Shares Purchase Agreement**" means any agreement with a successor liquidity provider replacing the VRDP Shares Purchase Agreement (or any replacement therefor) upon its termination in accordance with its terms and containing a Purchase Obligation substantially similar to the Purchase Obligation therein as determined by the Fund.

"**Beneficial Owner**" means a Person in whose name VRDP Shares are recorded as beneficial owner of such VRDP Shares by the Securities Depository, an Agent Member or other securities intermediary on the records of such Securities Depository, Agent Member or securities intermediary, as the case may be, or such Person's subrogee, including the Liquidity Provider to the extent it is at any time the Beneficial Owner of VRDP Shares (irrespective of any assignment or transfer by the Liquidity Provider of its voting rights).

“**Board**” means the Board of Directors of the Fund or any duly authorized committee thereof.

“**Business Day**” means a day (a) other than a day on which commercial banks in The City of New York, New York are required or authorized by law or executive order to close and (b) on which the New York Stock Exchange is not closed.

“**Certificate of Designation**” means the Certificate of Designation Establishing and Fixing the Rights and Preferences of the VRDP Shares with respect to the Fund.

“**Charter**” means the Declaration of Trust of the Fund, and all amendments thereto, as filed with the Secretary of the Commonwealth of Massachusetts.

“**Closing Date**” means the Date of Original Issue of the VRDP Shares subject to the satisfaction of the conditions specified in Section 3.01 of the Fee Agreement.

“**Commission**” has the meaning set forth in Section 3(d).

“**Confidential Information**” has the meaning set forth in Section 26.

“**Effective Leverage Ratio**” has the meaning set forth in the Fee Agreement.

“**Effective Leverage Ratio Cure Period**” has the meaning set forth in the Fee Agreement.

“**Electronic Means**” means email transmission, facsimile transmission or other similar electronic means of communication providing evidence of transmission (but excluding online communications systems covered by a separate agreement) acceptable to the sending party and the receiving party, in any case if operative as between any two parties, or, if not operative, by telephone (promptly confirmed by any other method set forth in this definition), which, in the case of notices to the Tender and Paying Agent, shall be sent by such means as set forth in Section 7.02 of the Tender and Paying Agent Agreement or as specified in the related notice.

“**Exchange Act**” has the meaning set forth in Section 3(c).

“**Extraordinary Corporate Event**” means as to the Liquidity Provider, (i) the consolidation, amalgamation with, or merger with or into or the transfer of all or substantially all of the Liquidity Provider’s assets to another entity, or (ii) the dissolution, for any reason, of the Liquidity Provider other than in connection with the consolidation, amalgamation with, or merger with or into another entity or the transfer of all or substantially all of the Liquidity Provider’s assets; provided, however, that with respect to (i) above, an Extraordinary Corporate Event does not include any of the listed occurrences where (x) the surviving entity, or transferee of all or substantially all of the Liquidity Provider’s assets, (a) assumes all of the obligations of the Liquidity Provider under the terms of the VRDP Shares Purchase Agreement and (b) has (i) short-term debt ratings in one of the two highest rating categories from the Requisite NRSROs or (ii) such other short-term debt ratings, if any, as may be required for the VRDP Shares to satisfy the eligibility criteria under Rule 2a-7 under the 1940 Act and (y) the Liquidity Provider has provided notice in writing to the Fund confirming the information described in (x) at least 10 days prior to the scheduled date of the applicable listed occurrence in (i) above.

“**Fee Agreement**” means the VRDP Shares Fee Agreement, dated as of June 30, 2011, between the Fund and the Liquidity Provider, as amended, modified or supplemented from time to time, or any similar agreement with a successor liquidity provider.

“**Final Notice of Purchase**” means, in connection with an Optional Tender or a Mandatory Tender, a Notice of Purchase delivered by the Tender and Paying Agent to the Liquidity Provider (or directly to the Liquidity Provider by Beneficial Owners or their Agent Members, in the case of an Optional Tender, or Holders, in the case of a Mandatory Tender, if there is no Tender and Paying Agent or for any reason the Tender and Paying Agent does not perform its obligations) on the Purchase Date indicating the number of VRDP Shares to be purchased on such date pursuant to the Purchase Obligation, or, in connection with a Mandatory Purchase, the Mandatory Purchase Notice delivered by the Fund or the Tender and Paying Agent on behalf of the Fund.

“**Fitch**” means Fitch Ratings, a part of the Fitch Group, which is a majority-owned subsidiary of Fimalac, S.A.

“**Fund**” has the meaning set forth in the preamble to this Agreement.

“**Indemnified Person**” has the meaning set forth in Section 9(a).

“**Indemnifying Person**” has the meaning set forth in Section 9(c).

“**Liquidation Preference**” has the meaning set forth in the recitals of this Agreement.

“**Liquidity Provider**” has the meaning set forth in the recitals to this Agreement.

“**Losses**” has the meaning set forth in Section 9(c).

“**Mandatory Tender**,” with respect to a Mandatory Tender Event, means the mandatory tender of all VRDP Shares by Holders for Remarketing, or, in the event (i) no Remarketing occurs on or before the Purchase Date or (ii) pursuant to an attempted Remarketing, VRDP Shares remain unsold and the Remarketing Agent does not purchase for its own account the unsold VRDP Shares tendered to the Tender and Paying Agent for Remarketing (provided, that the Remarketing Agent may seek to sell such VRDP Shares in a subsequent Remarketing prior to the Purchase Date), for purchase by the Liquidity Provider at the Purchase Price pursuant to Section 2 of Part II of the Certificate of Designation and the VRDP Shares Purchase Agreement.

“Mandatory Tender Event” means (a) each failure by the Fund to make a scheduled payment of dividends on a Dividend Payment Date; (b) the occurrence of a Liquidity Provider Ratings Event (which shall constitute a single Mandatory Tender Event upon the occurrence of such Liquidity Provider Ratings Event, whether or not continuing and whether or not such Liquidity Provider Ratings Event also results in a Mandatory Purchase Event; provided that, following restoration of the short-term debt ratings to the requisite level, a subsequent Liquidity Provider Ratings Event shall constitute a new Mandatory Tender Event); (c) in the event of a failure by the Fund to pay the Liquidity Provider the applicable fee when due under the terms of the Fee Agreement if the Liquidity Provider (in its sole discretion) thereafter provides written notice to the Fund that such failure to pay such fee constitutes a Mandatory Tender Event; (d) the eighth day prior to the scheduled date of the occurrence of an Extraordinary Corporate Event; (e) the Fund shall have obtained and delivered to the Tender and Paying Agent an Alternate VRDP Shares Purchase Agreement by the 15th day prior to the Scheduled Termination Date, Liquidity Provider Ratings Event Termination Date or Related Party Termination Date, as the case may be, of the VRDP Shares Purchase Agreement being replaced; (f) the Fund shall have provided a Notice of Proposed Special Rate Period in accordance with the Certificate of Designation; or (g) in the event of a breach by the Fund of its Effective Leverage Ratio covenant with the Liquidity Provider in the Fee Agreement and the failure to cure such breach within 60 days from the date of such breach (which 60-day period would include the Effective Leverage Ratio Cure Period), if the Liquidity Provider (in its sole discretion) thereafter provides written notice to the Fund and the Tender and Paying Agent that the failure to timely cure such breach constitutes a Mandatory Tender Event (subject to the Fund curing such breach prior to the delivery date of such notice from the Liquidity Provider).

“Mandatory Tender Notice” means, in connection with the Mandatory Tender of VRDP Shares, a notice delivered by the Fund or the Tender and Paying Agent on behalf of the Fund to the Holders and the Liquidity Provider specifying a Mandatory Tender Event and Purchase Date, substantially in the form attached as Annex II hereto.

“Moody’s” means Moody’s Investors Service, Inc., a Delaware corporation, and its successors.

“Notice of Purchase” means, as the context requires, a Preliminary Notice of Purchase or a Final Notice of Purchase, in each case, substantially in the form attached as Exhibit A to the VRDP Shares Purchase Agreement.

“Notice of Revocation” has the meaning set forth in Section 2(c)(iii).

“Notice of Tender” means, in connection with an Optional Tender, a notice, substantially in the form attached to the Tender and Paying Agent Agreement, delivered by a Beneficial Owner or its Agent Member to the Tender and Paying Agent indicating an intention to tender VRDP Shares for sale on a Purchase Date pursuant to Section 1 of Part II of the Certificate of Designation.

“Offering Memorandum” has the meaning set forth in the recitals hereto.

“Optional Tender” means any tender of VRDP Shares by a Beneficial Owner or its Agent Member to the Tender and Paying Agent, other than a Mandatory Tender, for Remarketing or, in the event (i) no Remarketing occurs on or before the Purchase Date or (ii) pursuant to an attempted Remarketing, VRDP Shares remain unsold and the Remarketing Agent does not purchase for its own account the unsold VRDP Shares tendered to the Tender and Paying Agent for Remarketing (provided, that the Remarketing Agent may seek to sell such VRDP Shares in a subsequent Remarketing prior to the Purchase Date), for purchase by the Liquidity Provider pursuant to Section 2 of Part II of the Certificate of Designation and the VRDP Shares Purchase Agreement.

“**Placement Agent**” has the meaning set forth in the recitals to this Agreement.

“**Placement Agreement**” has the meaning set forth in the recitals to this Agreement.

“**Purchase Date**,” with respect to any purchase of VRDP Shares, means (i) in connection with an Optional Tender, the date specified in a Notice of Tender, which date shall be no earlier than the seventh day (or, if such day is not a Business Day, the next succeeding Business Day) following delivery to the Tender and Paying Agent of the Notice of Tender, (ii) in connection with a Mandatory Tender, the date specified in the Mandatory Tender Notice (or, if such day is not a Business Day, the next succeeding Business Day), subject to the immediately succeeding sentence below, or (iii) in connection with a Mandatory Purchase, the Mandatory Purchase Date specified in the Mandatory Purchase Notice (or, if such day is not a Business Day, the next succeeding Business Day). The Purchase Date in respect of a Mandatory Tender Event shall be not later than seven days following the date a Mandatory Tender Notice is sent to Holders by Electronic Means; provided, that: (A) the Purchase Date in connection with the failure of the Fund to pay the applicable fee to the Liquidity Provider may not be later than the last Business Day of the month such payment was due; (B) the Purchase Date in connection with the occurrence of an Extraordinary Corporate Event may not be later than the Business Day immediately preceding the occurrence of the Extraordinary Corporate Event (and, if no earlier Purchase Date is specified in a Mandatory Tender Notice with respect to such Extraordinary Corporate Event, the Business Day immediately preceding the occurrence of the Extraordinary Corporate Event shall be deemed to be the Purchase Date irrespective of the failure to have given or sent a Mandatory Tender Notice); (C) the Purchase Date in connection with the Fund obtaining an Alternate VRDP Shares Purchase Agreement may not be later than the Business Day immediately preceding the termination of the VRDP Shares Purchase Agreement and the effective date of such Alternate VRDP Shares Purchase Agreement (which may not be later than the termination date of the VRDP Shares Purchase Agreement); and (D) the Purchase Date in connection with a Notice of Proposed Special Rate Period may not be later than the first day of such proposed Special Rate Period.

“**Purchase Obligation**” means the unconditional and irrevocable obligation of the Liquidity Provider during the term and pursuant to the terms of the VRDP Shares Purchase Agreement to purchase Outstanding VRDP Shares on any Purchase Date at the Purchase Price from Beneficial Owners, in the case of any Optional Tender, and Holders, in the case of any Mandatory Tender or any Mandatory Purchase, in each case following delivery of a Final Notice of Purchase with respect to such VRDP Shares.

“**Purchase Price**” means an amount equal to the Liquidation Preference of any VRDP Shares to be purchased on a Purchase Date, *plus* any accumulated but unpaid dividends thereon (whether or not earned or declared), if any, to, but excluding, the relevant Purchase Date.

“**Related Documents**” means this Agreement, the Charter, the Certificate of Designation, the VRDP Shares, the Placement Agreement, the Fee Agreement, the VRDP Shares Purchase Agreement and the Tender and Paying Agent Agreement.

“**Remarketing**” means the remarketing of VRDP Shares by the Remarketing Agent on behalf of Beneficial Owners thereof pursuant to an Optional Tender or on behalf of the Holders thereof pursuant to a Mandatory Tender, as provided in this Agreement and Part II of the Certificate of Designation.

“**Remarketing Agent**” has the meaning set forth in the preamble hereto.

“**Remarketing Materials**” means (i) the Fund’s most recent annual report and, if available, subsequent semi-annual report, which shall be deemed to have been made available upon the electronic availability of any such document on a public website, (ii) the most recent annual and, if available, interim report of the Liquidity Provider, which shall be deemed to have been made available upon the electronic availability of any such document on a public website, (iii) such other publicly available information as the Fund or the Liquidity Provider or the Remarketing Agent, if applicable, may reasonably request from time to time, of the Liquidity Provider, the Fund or the Remarketing Agent, and such other documentation, representations, warranties and certifications as the Fund, the Liquidity Provider or the Remarketing Agent, if applicable, may reasonably request, it being understood that the Fund, the Liquidity Provider or the Remarketing Agent, if applicable, may, in its discretion, determine to deliver to purchasers and prospective purchasers, in connection with the offer and sale of VRDP Shares by the Liquidity Provider, a Remarketing Memorandum, and (iv) such other publicly available information necessary, in the opinion of counsel for the Fund, the Liquidity Provider or the Remarketing Agent, if applicable, to amend or supplement the foregoing materials, in order that the foregoing materials will not include any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances existing at the time made available to or delivered to a purchaser.

“**Remarketing Memorandum**” means the Offering Memorandum or any other written communication describing the Fund, the Liquidity Provider and/or the terms of the VRDP Shares and the Purchase Obligation, which has been approved by each party hereto and the Liquidity Provider in writing for use in connection with Remarketing prior to its use, which approval shall not be unreasonably withheld or delayed.

“**Remarketing Notice**” has the meaning set forth in Section 2(f).

“**Representatives**” has the meaning set forth in Section 26.

“**Securities Act**” has the meaning set forth in Section 2(n).

“**Securities Depository**” means The Depository Trust Company, New York, New York, and any substitute for or successor to such securities depository that shall maintain a book-entry system with respect to the VRDP Shares.

“**Special Optional Tender Provisions**” has the meaning set forth in Section 2(c)(iv).

“**Tender**” means either an Optional Tender or Mandatory Tender, as applicable.

“**Tender and Paying Agent**” has the meaning set forth in the recitals to this Agreement.

“*Tender and Paying Agent Agreement*” means the tender and paying agent agreement, dated as of June 30, 2011, between the Fund and the Tender and Paying Agent, as amended, modified or supplemented from time to time, or any similar agreement with a successor tender and paying agent.

“*Transactions*” has the meaning set forth in Section 26.

“*VRDP Shares*” has the meaning set forth in the preamble hereto.

“*VRDP Shares Purchase Agreement*” means the VRDP Shares purchase agreement, dated as of June 30, 2011, between the Liquidity Provider and the Tender and Paying Agent, as amended, modified or supplemented, or any Alternate VRDP Shares Purchase Agreement.

Section 2. Appointment and Obligations of the Remarketing Agent.

(a) The Fund hereby appoints Merrill Lynch, Pierce, Fenner & Smith Incorporated, and Merrill Lynch, Pierce, Fenner & Smith Incorporated hereby accepts such appointment, as the exclusive Remarketing Agent of VRDP Shares for the purpose of establishing the Applicable Rate on each Rate Determination Date in respect of the VRDP Shares and, in connection with a Tender, Remarketing such VRDP Shares on behalf of the Beneficial Owners thereof and calculating the Purchase Price therefor, among other things; and performing such other duties as are assigned to the Remarketing Agent in the Certificate of Designation, all pursuant to the procedures set forth in the Certificate of Designation and the Offering Memorandum.

(b) The Remarketing Agent agrees with respect to the VRDP Shares to:

(i) subject to Section 3 hereof, use its best efforts to remarket tendered VRDP Shares in connection with a Tender, but shall in no way be liable if no purchasers are found, provided it has otherwise performed its obligations as set forth herein and in the Certificate of Designation;

(ii) establish the Applicable Rate not later than 5:00 p.m., New York City time, on each Rate Determination Date to the nearest one-thousandth (0.001) of one percent per annum for each Subsequent Rate Period; such Applicable Rate being determined by the Remarketing Agent as the lowest rate under then-existing market conditions that in the Remarketing Agent’s sole judgment would result in the VRDP Shares on the first day of the Subsequent Rate Period next succeeding the Rate Determination Date having a market value equal to the Liquidation Preference thereof, plus accumulated but unpaid dividends thereon (whether or not earned or declared); provided, that the Applicable Rate may not exceed the Maximum Rate;

(iii) notify the Fund, the Tender and Paying Agent and the Liquidity Provider of the Applicable Rate by Electronic Means after 5:00 p.m., New York City time, on each Rate Determination Date;

(iv) calculate the Maximum Rate applicable to each Rate Period and notify the Fund and the Tender and Paying Agent of the Maximum Rate by Electronic Means after 5:00 p.m., New York City time, on each Rate Determination Date;

(v) upon request from the Fund, assist the Fund in establishing the Late Charge (if any), relating to such VRDP Shares;

(vi) calculate the Purchase Price to be paid in connection with a Tender or Mandatory Purchase of VRDP Shares;

(vii) [Reserved];

(viii) deliver a Remarketing Notice to the Tender and Paying Agent and the Liquidity Provider (and, in the event the Tender and Paying Agent does not perform its obligations under the Tender and Paying Agent Agreement, at the Fund's direction (and not on behalf of the Tender and Paying Agent), concurrently therewith or as promptly as practicable thereafter, to each Beneficial Owner or Holder tendering VRDP Shares that are the subject of such notice) by Electronic Means not later than 2:00 p.m., New York City time, on the Business Day immediately preceding the related Purchase Date of the number of VRDP Shares that were successfully remarketed and the aggregate Purchase Price of such sold VRDP Shares and the number of VRDP Shares that remain unsold and the aggregate Purchase Price of such unsold VRDP Shares to be paid by the Liquidity Provider;

(ix) upon receipt of a Notice of Revocation, deliver notification by Electronic Means to the Tender and Paying Agent and the Liquidity Provider not later than 2:00 p.m., New York City time, on the Business Day immediately preceding the related Purchase Date, of the number of VRDP Shares specified in each Notice of Revocation that are the subject of an agreement of sale pursuant to a Remarketing;

(x) if the Remarketing Agent and the Liquidity Provider are not affiliates, notify the Liquidity Provider within two Business Days by telephone or Electronic Means, if, at any time, it owns any VRDP Shares;

(xi) allocate any unsold VRDP Shares to satisfy any Notice of Revocation;

(xii) record on Schedule I hereto each adjustment, if any, to the Applicable Percentage, the Applicable Spread or the Maximum Rate made in accordance with this Agreement and provide copies thereof by Electronic Means to each of the Fund, the Liquidity Provider and the Tender and Paying Agent;

(xiii) make copies of the Contact Notification Form and Cancellation Form (each as defined in the Tender and Paying Agent Agreement) available in connection with Remarketings, as provided in Section 7.13 of the Tender and Paying Agent Agreement;

(xiv) upon request of each purchaser, prospective purchaser or its agent to deliver a copy of the most recent Offering Memorandum prepared by the Fund, and provided to the Remarketing Agent by the Fund, in connection with each Remarketing; and

(xv) carry out such other duties as are assigned to the Remarketing Agent herein and in the Certificate of Designation and the Tender and Paying Agent Agreement, all in accordance with the provisions hereof and thereof.

(c) The Remarketing Agent acknowledges and agrees to the following procedures in connection with an Optional Tender:

(i) Beneficial Owners may elect to tender their VRDP Shares (in one or more shares) for purchase at the Purchase Price on the Purchase Date designated in the Notice of Tender (or if such day is not a Business Day, on the next succeeding Business Day) by an effective delivery of a Notice of Tender to the Tender and Paying Agent. Each Notice of Tender shall be irrevocable (except as described below) and effective upon receipt by the Tender and Paying Agent and shall:

(A) be delivered by a Beneficial Owner, directly or through its Agent Member, by email transmission (or if email transmission shall be unavailable, by facsimile transmission), to the Tender and Paying Agent not later than 2:00 p.m., New York City time, on any Business Day, with a copy to the Remarketing Agent;

(B) state the series and the aggregate number of VRDP Shares to be purchased, the CUSIP number of the VRDP Shares to be purchased, and the Purchase Date, and be in substantially the form of and contain such other information specified in the Notice of Tender attached as Exhibit C to the VRDP Shares Purchase Agreement; and

(C) state that the tendering Beneficial Owner acknowledges that such Beneficial Owner is required to deliver the VRDP Shares that are the subject of a Notice of Tender (that has not been duly revoked as described below) on or before 2:00 p.m., New York City time, on the Purchase Date.

(ii) Upon receipt of a Notice of Tender, the Tender and Paying Agent will provide a copy of such notice to the Liquidity Provider and the Remarketing Agent (with a copy to the Fund) as promptly as practicable by Electronic Means, but no later than 4:00 p.m., New York City time, on the date of receipt or deemed receipt. Any Notice of Tender that is delivered to the Tender and Paying Agent by a Beneficial Owner or its Agent Member after 2:00 p.m., New York City time, shall be deemed to have been received by the Tender and Paying Agent on the next succeeding Business Day, and the Purchase Date shall be adjusted such that the Purchase Date shall be the Business Day next succeeding the date specified as the Purchase Date in the Notice of Tender. Anything herein or in any other Related Document to the contrary notwithstanding, any failure by a Beneficial Owner or its Agent Member to deliver a copy of the Notice of Tender to the Remarketing Agent or any defect in the copy of the Notice of Tender to the Remarketing Agent will have no effect on the effectiveness of a Notice of Tender properly delivered to the Tender and Paying Agent. The Tender and Paying Agent's determination as to whether a Notice of Tender has been properly delivered shall be conclusive and binding on a Beneficial Owner and its Agent Member.

(iii) A Beneficial Owner or its Agent Member that delivered a Notice of Tender in connection with an Optional Tender may deliver in writing by email transmission (or if email transmission shall be unavailable, by facsimile transmission) to the Tender and Paying Agent, not later than 10:00 a.m., New York City time, on or prior to the Business Day immediately preceding the Purchase Date, a notice to the effect that such Beneficial Owner wishes to revoke its election to tender some or all of the VRDP Shares that were specified in such Notice of Tender to be purchased (a "Notice of Revocation"). Any Notice of Revocation delivered to the Tender and Paying Agent shall be promptly delivered by Electronic Means by the Tender and Paying Agent to the Liquidity Provider and the Remarketing Agent (with a copy to the Fund) by 12:00 noon, New York City time, on the Business Day immediately preceding the relevant Purchase Date. The Remarketing Agent (following receipt of such Notice of Revocation) shall notify the Tender and Paying Agent and the Liquidity Provider of the number of VRDP Shares specified in such Notice of Revocation that are subject to an agreement of sale pursuant to a Remarketing by Electronic Means not later than 2:00 p.m., New York City time, on the Business Day immediately preceding the Purchase Date. The Tender and Paying Agent shall contact the Remarketing Agent by Electronic Means by 1:45 p.m., New York City time, if such notification has not been received by such time. The Tender and Paying Agent shall deliver such notification to the Beneficial Owner or its Agent Member promptly following receipt from the Remarketing Agent, and in any event by 4:00 p.m., New York City time, on the Business Day immediately preceding the Purchase Date. Any such Notice of Revocation shall be effective (without further action on the part of the Beneficial Owner or its Agent Member) as a revocation of the Optional Tender of the number of VRDP Shares specified therein as being sought to be revoked, but (except as set forth below) only if and to the extent that the Remarketing Agent has not entered into an agreement to sell such VRDP Shares. A Notice of Revocation shall be effective as to the number of VRDP Shares specified therein as having been revoked less the number of such VRDP Shares in respect of which the Remarketing Agent has so notified the Tender and Paying Agent and the Liquidity Provider that it has entered into an agreement of sale. Notwithstanding the foregoing, tendered VRDP Shares, if any, that remain unsold on the related Purchase Date shall be allocated by the Remarketing Agent to each Notice of Revocation received in respect of VRDP Shares tendered for purchase on such Purchase Date and not already satisfied in the chronological order in which each such Notice of Revocation was received by the Tender and Paying Agent, and each such Notice of Revocation shall be effective only to the extent of such allocation and availability of unsold VRDP Shares.

(iv) In connection with any Special Rate Period designated pursuant to the Certificate of Designation, the Board, without the vote or consent of any Holder of VRDP Shares but with prior written consent of the Liquidity Provider, in the Notice of Special Rate Period relating to the VRDP Shares, as delivered to the Remarketing Agent and the Liquidity Provider, may provide for optional tender provisions relating solely to such Special Rate Period ("**Special Optional Tender Provisions**") whereby the minimum number of days' notice required for an Optional Tender may exceed seven days as specified in the Special Optional Tender Provisions for such Special Rate Period.

(d) The Remarketing Agent acknowledges and agrees to the following procedures in connection with a Mandatory Tender:

(i) VRDP Shares are subject to Mandatory Tender upon the occurrence of a Mandatory Tender Event. So long as the VRDP Shares are in book-entry form, any Mandatory Tender will be effected automatically through the book-entry system of the Securities Depository, without any action required on the part of Holders or Beneficial Owners. Promptly following the occurrence of a Mandatory Tender Event, and in any event within three (3) Business Days thereafter, the Fund, or the Tender and Paying Agent at the direction of the Fund (provided, that the Tender and Paying Agent may require up to two (2) Business Days prior notification by Electronic Means by the Fund), shall provide a Mandatory Tender Notice by Electronic Means to Holders, the Remarketing Agent and the Liquidity Provider, specifying a Purchase Date for all Outstanding VRDP Shares. Any notice given in respect of a Mandatory Tender under the Certificate of Designation will be conclusively presumed to have been duly given, whether or not the Holders receive such notice.

(ii) Upon the occurrence of a Mandatory Tender Event, all Outstanding VRDP Shares automatically shall be subject to Mandatory Tender and delivered to the Tender and Paying Agent for purchase on the designated Purchase Date by purchasers in the Remarketing in the event of a successful Remarketing or otherwise by the Liquidity Provider, including any VRDP Shares previously tendered pursuant to an Optional Tender for which the Purchase Date has not yet occurred. In the event that VRDP Shares are issued in certificated form and a Holder of VRDP Shares fails to deliver such VRDP Shares to which a Mandatory Tender relates on or prior to the Purchase Date, the Holder of such VRDP Shares shall not be entitled to any payment (including any accumulated but unpaid dividends thereon, whether or not earned or declared) other than the Purchase Price of such undelivered VRDP Shares as of the scheduled Purchase Date. Any such undelivered VRDP Shares will be deemed to be delivered to the Tender and Paying Agent, and the Tender and Paying Agent will place stop-transfer orders against the undelivered VRDP Shares. Any moneys held by the Tender and Paying Agent for the purchase of undelivered VRDP Shares will be held in a separate account by the Tender and Paying Agent, will not be invested, and will be held for the exclusive benefit of the Holder of such undelivered VRDP Shares. The undelivered VRDP Shares will be deemed to be no longer Outstanding (except as to entitlement to payment of the Purchase Price), and the Fund will issue to the purchaser a replacement VRDP Share certificate in lieu of such undelivered VRDP Shares.

(e) It is further understood and agreed by and between the parties that, in connection with any attempted Remarketing, all tendered VRDP Shares shall be remarketed at the Purchase Price of such VRDP Shares. The calculation of the Purchase Price of the VRDP Shares that are remarketed or purchased by the Liquidity Provider shall be made by the Remarketing Agent in advance of such Remarketing or purchase and, together with the details of the aggregate number and Purchase Price of remarketed VRDP Shares and the aggregate number and Purchase Price of VRDP Shares to be purchased by the Liquidity Provider pursuant to the Purchase Obligation, shall be communicated by the Remarketing Agent to the Fund, the Liquidity Provider and the Tender and Paying Agent by Electronic Means by 2:00 p.m., New York City time, on the Business Day immediately preceding the Purchase Date, as described below. The proceeds of any sale of any remarketed VRDP Shares by the Remarketing Agent relating to tendered VRDP Shares will be used by the Tender and Paying Agent for the purchase of the tendered VRDP Shares at the Purchase Price, and the terms of the sale will provide for the wire transfer of such Purchase Price by the Remarketing Agent to be received by the Tender and Paying Agent no later than 11:00 a.m., New York City time, on the related Purchase Date for payment to the Agent Member of the Beneficial Owner, in the case of an Optional Tender, or Holder, in the case of a Mandatory Tender, tendering VRDP Shares for sale through the Securities Depository in immediately available funds against delivery of the tendered VRDP Shares to the Tender and Paying Agent through the Securities Depository, the delivery of such VRDP Shares to the Tender and Paying Agent through the Securities Depository no later than 2:00 p.m., New York City time, on the related Purchase Date, and the re-delivery of such VRDP Shares by means of "FREE" delivery through the Securities Depository to the Remarketing Agent for delivery to the purchaser's Agent Member through the Securities Depository by 3:00 p.m., New York City time, on the related Purchase Date.

(f) The Remarketing Agent acknowledges and agrees that, by 2:00 p.m., New York City time, on the Business Day immediately preceding each Purchase Date, the Remarketing Agent shall deliver a notice, in the form attached as Annex I hereto, to the Tender and Paying Agent and the Liquidity Provider (a "**Remarketing Notice**"), by Electronic Means, that sets forth the number of VRDP Shares, if any, that it successfully remarketed for purchase on such Purchase Date and the aggregate Purchase Price of such sold VRDP Shares and the number of VRDP Shares, if any, not successfully remarketed for purchase on such Purchase Date and the aggregate Purchase Price of such unsold VRDP Shares to be paid by the Liquidity Provider. If the Remarketing Notice states that the Remarketing Agent has not successfully remarketed all of the VRDP Shares to be purchased on such Purchase Date, the Tender and Paying Agent shall promptly, and in any event not later than 4:00 p.m., New York City time, on such Business Day, deliver by Electronic Means to the Liquidity Provider (with a copy to the Fund) a Preliminary Notice of Purchase that, subject to delivery of the Final Notice of Purchase on the Purchase Date described below, provides for the purchase by the Liquidity Provider of the number of such VRDP Shares that the Remarketing Agent stated in the Remarketing Notice as not having been successfully remarketed, including the aggregate Purchase Price of such VRDP Shares, as calculated by the Remarketing Agent. If the Remarketing Notice states that the Remarketing Agent has not successfully remarketed all of the VRDP Shares to be purchased on such Purchase Date (or if proceeds from a Remarketing for any tendered VRDP Shares have not been received for any reason by the Tender and Paying Agent by 11:00 a.m., New York City time, on the Purchase Date), the Tender and Paying Agent shall deliver by Electronic Means to the Liquidity Provider (with a copy to the Fund) by 12:00 noon, New York City time, on such Purchase Date a Final Notice of Purchase that states the number of VRDP Shares required to be purchased by the Liquidity Provider. For purposes of the Final Notice of Purchase, any tendered VRDP Shares for which remarketing proceeds have not been received for any reason by the Tender and Paying Agent by 11:00 a.m., New York City time, on the Purchase Date (other than VRDP Shares owned by the Remarketing Agent and tendered for Remarketing), shall be treated as not having been successfully remarketed and will be required to be purchased by the Liquidity Provider. The payment obligation of the Liquidity Provider will equal the Purchase Price of the VRDP Shares, stated in the Final Notice of Purchase delivered to the Liquidity Provider, as being required to be purchased by the Liquidity Provider.

With respect to the Remarketing Agent's responsibilities, but without affecting the Tender and Paying Agent's role as intermediary, the Remarketing Agent hereby agrees that it shall remarket tendered VRDP Shares only to Persons that also are registered investment companies under the 1940 Act (each, a "RIC").

Notwithstanding the foregoing, the Remarketing Agent may, with the prior consent of the Fund, remarket to any Person that is not a RIC (a "Non-RIC") VRDP Shares tendered by a Beneficial Owner or Holder (other than the Liquidity Provider and Remarketing Agent), only if the Remarketing Agent (i) accepts an actionable bid from the Non-RIC, (ii) purchases the tendered VRDP Shares from the Beneficial Owner or Holder thereof on the Purchase Date at the Purchase Price with the Remarketing Agent's own funds on a riskless principal basis, (iii) resells such VRDP Shares to the Non-RIC making such actionable bid at the Purchase Price, and (iv) records such purchase and resale on its books and records in accordance with this provision (a "Riskless Principal Transaction").

VRDP Shares owned by the Liquidity Provider or the Remarketing Agent other than in a Riskless Principal Transaction, which shall be subject to the requirements of the preceding paragraph, may be sold to Non-RICs through a Remarketing or otherwise with the prior consent of the Fund; provided that such prior consent shall not be required if such VRDP Shares are sold (i) to an affiliate of the Liquidity Provider or Remarketing Agent or (ii) in connection with a repurchase financing transaction. For purposes of the preceding sentence, the Fund's prior consent shall not be unreasonably withheld or delayed with respect to sales to (1) a tender option bond trust (all of the investors in which are RICs, banks, insurance companies or any companies that are included in the S&P 500 (or a direct or indirect wholly-owned subsidiary thereof)) or (2) to any bank, insurance company or any company that is included in the S&P 500 (or a direct or indirect wholly-owned subsidiary thereof); provided, that with respect to any other purchaser, any consent withheld by the Fund because of the identity of such purchaser shall not be deemed unreasonable.

(g) Except as otherwise expressly provided for herein, the purchase and delivery of tendered VRDP Shares and their Remarketing will be accomplished in accordance with the applicable procedures of the Securities Depository.

(h) At any time after the termination of the VRDP Shares Purchase Agreement (or with respect to a remarketing of VRDP Shares held by the Liquidity Provider as to which any then-effective Purchase Obligation by a successor liquidity provider is inapplicable), any VRDP Shares unsold in a Remarketing will be returned to the relevant tendering Beneficial Owners or their Agent Members, or the relevant tendering Holders, as the case may be, by the Tender and Paying Agent.

(i) In connection with the allocation of VRDP Shares tendered for Remarketing, the Remarketing Agent shall allocate those VRDP Shares previously acquired by the Liquidity Provider pursuant to its Purchase Obligation first to any purchasers in a Remarketing (such allocation coming first from those VRDP Shares acquired earliest by the Liquidity Provider).

(j) The Remarketing Agent agrees that if, at any time, either Moody's or Fitch or any Other Rating Agency shall not make available a rating for the VRDP Shares required for the Remarketing Agent to calculate any Maximum Rate, or if both Moody's and Fitch shall not make available such a rating, the Fund shall select, with the prior written consent of the Liquidity Provider, one or more Other Rating Agencies for such purpose.

(k) The Remarketing Agent shall use commercially reasonable efforts to meet the timing requirements set forth above. Subject to Section 3(h) hereof, the Remarketing Agent may, in its sole discretion, modify the settlement procedures set forth above with respect to any Remarketing upon ten (10) days' prior written notice to the Fund, the Liquidity Provider and the Tender and Paying Agent, provided any such modification does not adversely affect the Holders, the Beneficial Owners, the Tender and Paying Agent, the Liquidity Provider or the Fund.

(l) If the Remarketing Agent in its sole discretion decides to purchase unsold VRDP Shares for its own account, on each Purchase Date, the Remarketing Agent will settle such purchase delivery against payment of the Purchase Price for such VRDP Shares to be received by the Tender and Paying Agent by 11:00 a.m., New York City time, on such Purchase Date. The Remarketing Agent is not obligated to purchase any VRDP Shares that would otherwise remain unsold in a Remarketing.

(m) It is expressly understood and agreed by the parties hereto that VRDP Shares as to which the Remarketing Agent is the Beneficial Owner may be held by the Remarketing Agent for its own account or for the account of others, and may be remarketed or otherwise sold by the Remarketing Agent, subject to the restrictions on sales to Non-RICs set forth in Section 2(f). The Remarketing Agent may sell VRDP Shares for its own account outside of a Remarketing at a price other than the Purchase Price, subject to the restrictions on sales to Non-RICs set forth in Section 2(f).

(n) The Remarketing Agent shall remarket or otherwise offer and sell the VRDP Shares only to Persons that it reasonably believes are "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act of 1933, as amended (the "**Securities Act**"), in transactions meeting the requirements of Rule 144A.

(o) The provisions contained in the Certificate of Designation concerning Special Rate Periods and the notification of a Special Rate Period shall be followed by the Fund and, to the extent applicable, the Remarketing Agent, and the provisions contained therein are incorporated herein by reference in their entirety and shall be deemed to be a part of this Agreement to the same extent as if such provisions were set forth fully herein.

(p) Whenever the Fund intends to include any net capital gains or other taxable income in any dividend on VRDP Shares, the Fund may notify the Remarketing Agent and Tender and Paying Agent of the amount to be so included (i) not later than 14 calendar days preceding the first Rate Determination Date on which the Applicable Rate for such dividend is to be established, and (ii) for any immediately following Rate Determination Date on which the Applicable Rate for such dividend is to be established, not later than the close of business on the immediately preceding Rate Determination Date. Whenever such advance notice is received from the Fund, the Tender and Paying Agent will notify each Holder within two Business Days of receipt by the Tender and Paying Agent of such notice and the Remarketing Agent shall promptly notify each potential Beneficial Owner or its Agent Member after receipt of such advance notice by the Remarketing Agent. With respect to a Rate Period for which such advance notice was given and whose dividends are comprised partly of such ordinary income or capital gains and partly of exempt-interest income, the different types of income will be paid in the same relative proportions for each day during the Rate Period.

(q) The Remarketing Agent acknowledges and agrees that, unless the Liquidity Provider notifies the Remarketing Agent of its intention to sell such VRDP Shares outside of a Remarketing pursuant to Section 2.03 of the Fee Agreement, any VRDP Shares held by the Liquidity Provider shall be deemed to have been tendered for Remarketing pursuant to an Optional Tender on each Business Day immediately following the acquisition of such VRDP Shares by the Liquidity Provider, and such notice shall be deemed to have been given in a timely manner.

(r) (i) The Fund and the Remarketing Agent agree that the Fund, with the prior written consent of the Liquidity Provider and after consultation with the Remarketing Agent, (A) may adjust the Applicable Percentage and the Applicable Spread upward (and if previously adjusted upward, subsequently downward), provided, that, notwithstanding any provision to the contrary in this Agreement, the Maximum Rate is equal to or higher than the rates determined as set forth in the Certificate of Designation, and immediately following any such increase, the Fund would be in compliance with the Minimum VRDP Shares Asset Coverage and the VRDP Shares Basic Maintenance Amount in the Rating Agency Guidelines of the Rating Agency or Rating Agencies then rating the VRDP Shares at the request of the Fund, and (B) in the event of Special Rate Periods of greater than 364 days, may adjust the Maximum Rate upward, provided, that, notwithstanding any provision to the contrary in this Agreement, immediately following any such increase, the Fund would be in compliance with the Minimum VRDP Shares Asset Coverage and the VRDP Shares Basic Maintenance Amount in the Rating Agency Guidelines of the Rating Agency or Rating Agencies then rating the VRDP Shares at the request of the Fund.

(ii) Notwithstanding any provision to the contrary in this Agreement, in no event shall the Maximum Rate exceed 15%; provided, however, that in the event the Fund has given notification prior to the Applicable Rate Determination for the Rate Period pursuant to the Certificate of Designation that any ordinary income or capital gains will be included in the dividend on VRDP Shares for that Rate Period, the Maximum Rate shall not exceed 15% divided by the quantity 1 minus (i) the maximum marginal regular federal personal income tax rate applicable to ordinary income or net capital gains (as applicable) each expressed as a decimal applicable to ordinary income or net capital gains (as applicable), or (ii) the maximum marginal regular federal corporate income tax rate applicable to ordinary income or net capital gains (as applicable), each expressed as a decimal applicable to ordinary income or net capital gains (as applicable), whichever is greater and determined on a weighted average basis in respect of the relative amounts of ordinary income and net capital gains.

(iii) Upon each adjustment to the Applicable Percentage, the Applicable Spread or the Maximum Rate made in accordance with subsection (r)(i) above, the Remarketing Agent shall record promptly on Schedule I to this Agreement each such adjustment, if any, and thereupon provide copies of the updated Schedule I by Electronic Means to each of the Fund, the Liquidity Provider and the Tender and Paying Agent.

Section 3. Representations, Warranties and Covenants of the Remarketing Agent and the Fund

(a) The Remarketing Agent hereby represents and warrants to, and agrees with, the Fund and the Liquidity Provider that it shall, subject to Section 2(m), remarket or otherwise offer and sell the VRDP Shares only to Persons that it reasonably believes are “qualified institutional buyers” within the meaning of Rule 144A under the Securities Act in transactions meeting the requirements of Rule 144A and in accordance with the information under the caption “Notice to Investors” in the Offering Memorandum.

(b) The Remarketing Agent hereby represents and warrants to, and agrees with, the Fund and the Liquidity Provider in connection with each Remarketing that no form of general solicitation or general advertising (within the meaning of Regulation D under the Securities Act) has been or will be used by the Remarketing Agent or any of its representatives in connection with a Remarketing of VRDP Shares, including, but not limited to, articles, notices or other communications published in any newspaper, magazine or similar medium or broadcast over television or radio, or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising.

(c) The Fund represents and warrants to, and agrees with, the Remarketing Agent and the Liquidity Provider that the VRDP Shares are not of the same class (within the meaning of Rule 144A under the Securities Act) as securities which are listed on a national securities exchange registered under Section 6 of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), or quoted in a U.S. automated inter-dealer quotation system.

(d) The Fund represents and warrants to, and agrees with, the Remarketing Agent and the Liquidity Provider as of the date hereof, and as of each Purchase Date, that (i) the Fund has made all the filings with the United States Securities and Exchange Commission (the “**Commission**”) that are required to be made under the 1940 Act, and the rules and regulations thereunder (the “**1940 Act Regulations**”) (collectively, the “**1940 Act Documents**”), (ii) each 1940 Act Document complies in all material respects with the requirements of the 1940 Act and the 1940 Act Regulations, and each 1940 Act Document did not at the time of filing with the Commission include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading and (iii) as of each Rate Determination Date after the date hereof, the applicable Remarketing Materials (as defined in Section 7), as amended or supplemented, including any subsequently filed 1940 Act Document on or prior to such Purchase Date (or, if applicable, by any document filed pursuant to the Securities Act and the rules and regulations thereunder), except for any Liquidity Provider Information (as defined in Section 9), will not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(e) The Fund represents, warrants and covenants with the Remarketing Agent and the Liquidity Provider that (i) neither it nor any Person acting on its behalf has or will directly or indirectly, make offers or sales of any security (as defined in the Securities Act) under circumstances that would require the registration of the VRDP Shares under the Securities Act, (ii) it shall not, and shall not permit its affiliates (as defined in Rule 501(b) under the Securities Act) to, make any offer or sale of securities of the Fund of any class if, as a result of the doctrine of "integration" referred to in Rule 502 under the Securities Act, such offer or sale would, with respect to the VRDP Shares, render invalid the exemption from the registration requirements of the Securities Act provided by Section 4(2) thereof or by Rule 144A thereunder or otherwise, and (iii) if at any time the Fund is not furnishing information to the Commission pursuant to the 1940 Act and/or the 1940 Act Regulations to satisfy its filing requirements pursuant to Section 13 or 15(d) of the Exchange Act, in order to preserve the exemption for resales and transfers under Rule 144A, the Fund shall furnish, or cause to be furnished, to holders of VRDP Shares and prospective purchasers of VRDP Shares, upon request and for the benefit of holders from time to time of VRDP Shares, information with respect to the Fund satisfying the requirements of subsection (d)(4) of Rule 144A.

(f) It is expressly understood and agreed by the parties hereto that the Remarketing Agent's obligation to remarket VRDP Shares shall extend to and include any VRDP Shares tendered by the Liquidity Provider as the Beneficial Owner (whether the Liquidity Provider acquired such VRDP Shares pursuant to its Purchase Obligation under the VRDP Shares Purchase Agreement or otherwise).

(g) The Remarketing Agent acknowledges and agrees to perform its duties and obligations under the VRDP Purchase Agreement.

(h) Without the prior written consent of the Liquidity Provider (such consent not to be unreasonably withheld), the Remarketing Agent shall not modify the settlement procedures as set forth in Section 2 of Part II of the Certificate of Designation as described in Section 2(f) thereof insofar as they affect settlement with the Liquidity Provider.

Section 4. Fees and Expenses. For the performance of its services as Remarketing Agent hereunder, the Fund shall pay to the Remarketing Agent in arrears on the first day of each calendar month (or, if such day is not a Business Day, on the next succeeding Business Day) a monthly fee for each VRDP Share Outstanding on the first calendar day of the immediately preceding calendar month, in an amount, equal to (a) the product of (i) 0.10% times \$100,000 multiplied by (ii) the actual number of days from and including such first calendar day of the immediately preceding calendar month to and including the last calendar day of such immediately preceding month or, if applicable, the date of any prior redemption or liquidation for such VRDP Share (as the case may be) divided by (b) 365. For purposes of the foregoing calculation the defined term Outstanding shall be deemed not to include clauses (ii) and (iii) of the definition thereof. The fee for the period from and including the Closing Date to and including July 31, 2011 shall be paid on August 1, 2011, provided, that the day count for such fee calculation pursuant to clause (a)(ii) of the immediately second preceding sentence for such payment on August 1, 2011 shall be 32 days and the fee shall be calculated in respect of each VRDP Share Outstanding on the Closing Date instead of the immediately preceding month.

The Fund will pay all reasonable expenses of delivering remarketed VRDP Shares and reimburse the Remarketing Agent for all reasonable direct out of pocket expenses incurred by it as Remarketing Agent, including reasonable counsel fees and disbursements.

Section 5. Resignation, Suspension and Removal of the Remarketing Agent

(a) The Remarketing Agent may resign and be discharged from its duties and obligations hereunder with respect to the VRDP Shares by giving 90 days' prior written notice to the Fund, the Securities Depository, the Tender and Paying Agent and the Liquidity Provider pursuant to Section 24 of this Agreement and by Electronic Means.

(b) In addition to being able to resign pursuant to the provisions of Section 5(a) hereof or terminate the Remarketing Agreement pursuant to the provisions of Section 10(b) hereof, the Remarketing Agent may terminate the Remarketing Agreement with respect to the VRDP Shares or may resign with respect to the VRDP Shares by giving notice in writing to the Fund, the Liquidity Provider, the Securities Depository and the Tender and Paying Agent pursuant to Section 24 of this Agreement and by Electronic Means, if any of the following events has occurred and has not been cured prior to the proposed date of such termination or resignation (in the case of (iv), (v), (vi), (vii) or (viii) below, for a period of 30 days after the Remarketing Agent has given notice thereof to the Fund and the Liquidity Provider specifying the condition or event): (i) the rating of such VRDP Shares shall have been downgraded or withdrawn by an NRSRO, the effect of which, in the reasonable opinion of the Remarketing Agent, is to affect materially and adversely the market price of such VRDP Shares or the ability of the Remarketing Agent to remarket such VRDP Shares; (ii) all of the VRDP Shares shall have been redeemed and redemption proceeds have been paid to the relevant Holders; (iii) without the prior written consent of the Remarketing Agent, the Certificate of Designation, the Charter or the Tender and Paying Agent Agreement shall have been amended in any manner that, in the reasonable opinion of the Remarketing Agent, materially and adversely changes the nature of such VRDP Shares or the remarketing procedures; (iv) legislation, or a decision by a court of the United States shall be rendered, or stop order, ruling, regulation or official statement by, or on behalf of, the Commission or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that the offering or sale of the VRDP Shares is or would be in violation of any provision of the Securities Act as then in effect, or the Exchange Act as then in effect, or with the purpose or effect of otherwise prohibiting the offering or sale of the VRDP Shares, as contemplated hereby, without registration under the Securities Act; (v) any legislation, resolution, ordinance, rule or regulation shall be enacted by, any governmental body, department or agency of the United States or the State of New York, or a decision by any court of competent jurisdiction within the United States or the State of New York shall be rendered, which, in the Remarketing Agent's reasonable opinion, materially adversely affects the marketability of the VRDP Shares; (vi) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, which, in the Remarketing Agent's reasonable opinion, materially adversely affects the marketability of the VRDP Shares; (vii) any litigation shall be instituted, pending or threatened to restrain or enjoin the sale or remarketing of the VRDP Shares or in any way protesting or affecting any authority for or the validity of the VRDP Shares or this Agreement, or the existence or powers of the Fund or the Liquidity Provider to perform, as applicable, its obligations hereunder or under the VRDP Shares Purchase Agreement; or (viii) there is any material adverse change in the affairs of the Fund or the Liquidity Provider, which in the sole judgment of the Remarketing Agent, makes it impractical or inadvisable to proceed with the remarketing of the VRDP Shares as contemplated by this Agreement and by the Offering Memorandum. Notwithstanding the foregoing, so long as the Purchase Obligation is in effect, following notice of a Mandatory Tender Event, the Remarketing Agent may not terminate the Remarketing Agreement or resign until after the purchase of the VRDP Shares required to be made on the related Purchase Date.

(c) The Fund, with the prior written consent of the Liquidity Provider, may remove the Remarketing Agent with respect to the VRDP Shares by giving at least 60 days' prior written notice to the Remarketing Agent, the Tender and Paying Agent, if any, and the Liquidity Provider; provided, however, that no such removal shall become effective for an additional 30 days unless the Fund shall have appointed, with the prior written consent of the Liquidity Provider (such consent not to be unreasonably withheld), at least one nationally recognized securities dealer with experience in remarketing variable rate securities as a successor Remarketing Agent for the VRDP Shares and the successor Remarketing Agent shall have entered into a remarketing agreement with the Fund, in form and substance satisfactory to the Fund and the Liquidity Provider, in which it shall have agreed to, among other duties, conduct Remarketings in respect of VRDP Shares and determine the Applicable Rate on each Rate Determination Date for the VRDP Shares in accordance with the terms and conditions of the Certificate of Designation; provided, further, however, that if the Liquidity Provider is an affiliate of the Remarketing Agent, the Remarketing Agent may not be removed unless the Liquidity Provider consents to such removal or the successor Remarketing Agent agrees to purchase any VRDP Shares owned by the Remarketing Agent as of the effective date of such removal at a purchase price equal to the Liquidation Preference thereof plus accumulated but unpaid dividends thereon (whether or not earned or declared) to the effective date of such removal.

In each of the occurrences described in clause (a), (b) or (c), the Fund shall use its best efforts to appoint a successor Remarketing Agent for such VRDP Shares and enter into a remarketing agreement with such person as soon as reasonably practicable.

Section 6. Dealing in the VRDP Shares. (a) The Remarketing Agent in its sole discretion may purchase for its own account VRDP Shares in a Remarketing; however, the Remarketing Agent shall not be obligated to purchase any VRDP Shares that would otherwise remain unsold in a Remarketing. None of the Fund, the Tender and Paying Agent nor the Remarketing Agent shall be obligated in any case to provide funds to make payment to a Beneficial Owner or its Agent Member upon such Beneficial Owner's tender of its VRDP Shares in a Remarketing unless, in each case, such VRDP Shares were acquired for the account of the Fund, the Tender and Paying Agent or the Remarketing Agent. The Remarketing Agent may exercise any vote or join in any action which any Holder of VRDP Shares may be entitled to exercise or take pursuant to the Certificate of Designation with like effect as if it did not act in any capacity hereunder. The Remarketing Agent, in its individual capacity, either as principal or agent, may also engage in or have an interest in any financial or other transaction with the Fund as freely as if it did not act in any capacity hereunder.

(b) The Fund acknowledges and agrees, whether or not the Remarketing Agent or any affiliate thereof has advised or is currently advising the Fund on other matters, that in connection with the remarketing of the VRDP Shares and any other duties or obligations of the Remarketing Agent pursuant to and/or as set forth in this Agreement: (a) the Remarketing Agent is not an advisor (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act), an “advisor”) of, and owes no fiduciary duty to, the Fund or any other person, (b) the Remarketing Agent’s duties and obligations to the Fund shall be limited to those contractual duties and obligations expressly set forth in this Agreement and the Certificate of Designation, and (c) the Fund has consulted with those independent legal, financial and any other advisors to the extent it deemed appropriate in connection with any questions or other issues it might have relating to the remarketing of the VRDP Shares.

Section 7. Information.

(a) The Fund agrees to furnish to the Remarketing Agent and the Liquidity Provider: (i) copies of the Offering Memorandum and the Certificate of Designation and its bylaws and any amendment thereto and each report or other document mailed or made available to Holders (including annual reports to shareholders) or filed by the Fund with the Commission (including any documents incorporated therein by reference); (ii) notice of the creation of any subsidiary by the Fund; (iii) notice of the purchase of VRDP Shares by a subsidiary or affiliate of the Fund as soon as the Fund shall become aware of such purchase; (iv) notice of the occurrence of any of the events set forth in clause (b)(i), (b)(ii) or (b)(iii) of Section 8 hereof; and (v) in connection with a Remarketing, the Offering Memorandum and such other publicly available remarketing information as the Remarketing Agent may reasonably request from time to time, including but not limited to the financial condition of the Fund. The Fund agrees to provide the Remarketing Agent with as many copies of the foregoing materials and publicly available information as the Remarketing Agent may reasonably request for use in connection with any Remarketing of VRDP Shares and consents to the use thereof for such purpose.

(b) If at any time during the term of this Agreement any event or condition known to the Fund relating to or affecting the Fund or the VRDP Shares shall occur which causes any of the Remarketing Materials (other than the Liquidity Provider Information) or any other materials or information made publicly available by the Fund to include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, the Fund shall promptly notify the Remarketing Agent in writing of the circumstances and details of such event or condition and the Fund shall promptly prepare or cause to be prepared and delivered to the Remarketing Agent, at the Fund’s expense, a supplement or amendment to the Remarketing Materials describing the circumstances and details of such event or condition.

Section 8. Conditions to Obligations of the Remarketing Agent. The obligations of the Remarketing Agent with respect to VRDP Shares under this Agreement have been undertaken in reliance on, and shall be subject to: (a) the due performance in all material respects by the Fund of its obligations and agreements as set forth in this Agreement (including Sections 3(d) and 7(b) hereof); and (b) the non-occurrence of any of the following events: (i) the rating of the VRDP Shares shall have been downgraded or withdrawn by an NRSRO after the date hereof, the effect of which, in the reasonable opinion of the Remarketing Agent, is to affect materially and adversely the market price of the VRDP Shares or the Remarketing Agent's ability to remarket the VRDP Shares; (ii) all of the VRDP Shares shall have been redeemed by the Fund and redemption proceeds have been paid to the relevant Holders; or (iii) without the prior written consent of the Remarketing Agent, the Certificate of Designation, the Charter, or the Tender and Paying Agent Agreement, shall have been amended in any manner that in the reasonable opinion of the Remarketing Agent materially and adversely changes the nature of the VRDP Shares or the remarketing procedures; (iv) legislation, or a decision by a court of the United States shall be rendered, or stop order, ruling, regulation or official statement by, or on behalf of, the Commission or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that the offering or sale of the VRDP Shares is or would be in violation of any provision of the Securities Act as then in effect, or the Exchange Act as then in effect, or with the purpose or effect of otherwise prohibiting the offering or sale of the VRDP Shares, as contemplated hereby, without registration under the Securities Act; (v) any legislation, resolution, ordinance, rule or regulation shall be enacted by, any governmental body, department or agency of the United States or the State of New York, or a decision by any court of competent jurisdiction within the United States or the State of New York shall be rendered, which, in the Remarketing Agent's reasonable opinion, materially adversely affects the marketability of the VRDP Shares; (vi) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, which, in the Remarketing Agent's reasonable opinion materially adversely affects the marketability of the VRDP Shares; (vii) any litigation shall be instituted, pending or threatened, to restrain or enjoin the sale or remarketing of the VRDP Shares or in any way protesting or affecting any authority for or the validity of the VRDP Shares or this Agreement, or the existence or powers of the Fund or the Liquidity Provider to perform, as applicable, its obligations hereunder or under the VRDP Shares Purchase Agreement; or (viii) there is any material adverse change in the affairs of the Fund or the Liquidity Provider, which in the sole judgment of the Remarketing Agent, makes it impractical or inadvisable to proceed with the remarketing of the VRDP Shares as contemplated by this Agreement and by the Offering Memorandum. In the event of the failure of any such conditions with respect to VRDP Shares, the Remarketing Agent may terminate its obligations under this Agreement with respect to VRDP Shares as provided in Section 10(b). Notwithstanding the foregoing, so long as the Purchase Obligation is in effect, following notice of a Mandatory Tender Event, the foregoing conditions shall not apply and the Remarketing Agent may not terminate this Agreement or resign until after the purchase of the VRDP Shares required to be made on the related Purchase Date.

Section 9. Indemnification.

(a) The Fund agrees to indemnify and hold harmless the Remarketing Agent and the Liquidity Provider and its respective officers, directors and employees (collectively, the “Indemnified Persons” and individually, an “Indemnified Person”) from and against any losses, claims, damages or liabilities to which any Indemnified Person may become subject insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of, or are based upon, any untrue statement or alleged untrue statement of a material fact contained in any of the Remarketing Materials or the Offering Memorandum or the omission or alleged omission to state therein a material fact necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading (except with respect to the Liquidity Provider Information, or information provided by the Remarketing Agent specifically for use therein), or arise out of, or are based upon, any violation by the Fund of, or any failure by the Fund to perform, any of its obligations under, this Agreement. The Fund agrees to promptly reimburse each Indemnified Person for any legal or other expenses reasonably incurred by such Indemnified Person in investigating, defending or preparing to defend any such action or claim; provided, however, that the Fund shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of the use by the Remarketing Agent of any information that is not contained in the Remarketing Materials. The indemnity agreement in this paragraph shall be in addition to any liability or obligation which the Fund may otherwise have to any Indemnified Person and shall extend upon the same terms and conditions to each person, if any, who controls the Remarketing Agent within the meaning of the Exchange Act. “Liquidity Provider Information” shall mean the (i) information under the captions “Summary — Liquidity Provider” and “Liquidity Provider” in the Offering Memorandum and (ii) any information in the Remarketing Materials under the caption “Liquidity Provider”, which in each case has been furnished in writing by the Liquidity Provider or its affiliates for inclusion therein (including without limitation through incorporation by reference).

(b) The Fund agrees to indemnify and hold harmless the Indemnified Persons from and against every loss, liability or expense, including without limitation, damages, fines, suits, actions, demands, costs, out-of-pocket expenses, and reasonable legal fees and expenses (collectively, “Losses”), that may be imposed on, incurred by, or asserted against, any Indemnified Person for or in respect of its (1) execution and delivery of this Agreement, (2) compliance or attempted compliance with or reliance upon any instruction or other direction upon which the Remarketing Agent is authorized to rely pursuant to the terms of this Agreement and (3) performance under this Agreement, except to the extent that the Loss resulted from such Indemnified Person’s gross negligence, willful misconduct, bad faith, violations of law, violations of the terms and conditions of this Agreement or the failure of the Remarketing Agent to have the authority to execute, deliver or perform this Agreement. For the avoidance of doubt, the Fund agrees to indemnify and hold harmless the Indemnified Persons from and against any and all Losses that may be imposed on, incurred by, or asserted against, any Indemnified Person for or in respect of the failure of the Remarketing Agent to deliver Remarketing Materials during the course of a Remarketing, if such failure is due to the failure by the Fund to provide to the Remarketing Agent such Remarketing Materials for delivery (regardless of whether the Remarketing Agent has requested such Remarketing Materials), notwithstanding that such failure by the Remarketing Agent to deliver Remarketing Materials during the course of a Remarketing could be deemed a violation of law by an Indemnified Person. The indemnity agreement in this paragraph shall be in addition to any liability or obligation which the Fund may otherwise have to any Indemnified Person and shall extend upon the same terms and conditions to each person, if any, who controls any Indemnified Person within the meaning of the Exchange Act.

(c) Each Indemnified Person shall give notice as promptly as reasonably practicable to the Fund (the “Indemnifying Person”) of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify the Indemnifying Persons shall not relieve the Indemnifying Person from any liability which it may have otherwise than on account of this indemnity agreement. No settlement or compromise of any such action shall be made without the consent of the Indemnifying Person, which consent shall not be unreasonably withheld.

(d) In case any such action is brought against any Indemnified Person, and it notifies the Indemnifying Person from which it seeks indemnification of the commencement thereof, the Indemnifying Person will be entitled to participate in, and, to the extent that it may wish, jointly with any other Indemnifying Person, similarly notified, to assume the defense thereof so long as its interests are not adverse to those of the Indemnified Person, with counsel reasonably satisfactory to such Indemnified Person, and after notice from the Indemnifying Person to such Indemnified Person of its election to assume the defense thereof, the Indemnifying Person will not be liable to such Indemnified Person under this Section 9 for any legal or other expenses subsequently incurred by such Indemnified Person in connection with the defense thereof other than reasonable costs of investigation. Upon assumption by the Indemnifying Person of the defense of any such action or proceeding, the Indemnified Person shall have the right to participate in such action or proceeding and to retain its own counsel but the Indemnifying Person shall not be liable for any legal expenses of other counsel subsequently incurred by such Indemnified Person in connection with the defense thereof unless (i) the Indemnifying Person has agreed to pay such fees and expenses, (ii) the Indemnifying Person shall have failed to employ counsel reasonably satisfactory to the Indemnified Person in a timely manner, or (iii) the Indemnified Person shall have been advised by counsel that there are actual or potential conflicting interests between the Indemnifying Person and the Indemnified Person, including situations in which there are one or more legal defenses available to the Indemnified Person that are different from or additional to those available to the Fund. If the Indemnifying Person elects not to assume the defense of any such suit, it will reimburse the Indemnified Persons for the reasonable fees and expenses of any counsel retained by them. In the event that the parties to any such action (including impleaded parties) include the Indemnifying Person and one or more Indemnified Persons, and one or more Indemnified Persons shall have been advised by counsel reasonably satisfactory to the Indemnifying Person that there may be one or more legal defenses available to any of the Indemnified Persons, which are different from, additional to, or in conflict with those available to the Indemnifying Person, the Indemnifying Person will reimburse the Indemnified Persons for the reasonable fees and expenses of any counsel retained by the Indemnified Persons (it being understood that the Indemnifying Person shall not, in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys (plus local counsel) for all Indemnified Persons, which firm shall be designated by the Indemnified Persons, the Remarketing Agent or the Indemnifying Person, as the case may be). The Indemnifying Person agrees promptly to notify each Indemnified Person of the commencement of any litigation or proceedings against it in connection with the remarketing of the VRDP Shares. The Indemnifying Person shall not consent to the terms of any compromise or settlement of any action against an Indemnified Person and defended by the Indemnifying Person in accordance with the foregoing without the prior consent of the Indemnified Person. The Indemnifying Person shall not be liable under this Section 9 for the amount of any compromise or settlement of any action unless such compromise or settlement has been approved in writing by the Indemnifying Person, which approval shall not be unreasonably withheld.

(e) If the indemnification provided for in subparagraph (a) of this Section 9 is unavailable, because of limitations imposed by securities laws or for any other reason, to a party that would otherwise have been an Indemnified Person under subparagraph (a) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then the party that would have been an Indemnifying Person thereunder shall, in lieu of indemnifying such Indemnified Person, contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion so that the Remarketing Agent is responsible for that portion represented by the percentage that the Remarketing Agent's fee (calculated for a one year period) with respect to the relevant remarketing bears to the aggregate principal amount of the VRDP Shares being remarketed but will not exceed the amount of such fee (calculated for a one year period) and the Fund is responsible for the balance; provided, however, that no person guilty of fraudulent misrepresentation within the meaning of Section 11(f) of the Securities Act shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation within the meaning of Section 11(f) of the Securities Act. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages or liabilities (or actions in respect thereon referred to above in this subparagraph (e)) shall be deemed to include any legal or other expenses reasonably incurred by such Indemnified Person in connection with investigating or defending any such action or claims (which shall be limited as provided in this subparagraph (f) above if the Indemnifying Person has assumed the defense of any such action in accordance with the provisions thereof).

(f) No person shall be entitled to indemnification or contribution under this Agreement against any loss, claim, liability, expense or damage arising by reason of such person's willful misfeasance, bad faith or gross negligence in the performance of its duties hereunder.

(g) The indemnity agreements contained in clauses (a), (b) and (c) of this Section 9 shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Remarketing Agent, and shall survive the termination or cancellation of this Agreement and the remarketing of any VRDP Shares hereunder.

(h) The parties hereto acknowledge and agree that funds paid by the Liquidity Provider pursuant to the VRDP Shares Purchase Agreement are not subject to claims for indemnification made against the Fund under Section 9(a) or 9(b) of this Agreement.

Section 10. Termination of VRDP Shares Remarketing Agreement.

(a) This Agreement shall terminate as to the Remarketing Agent and its obligations hereunder with respect to VRDP Shares on the effective date of the resignation or removal of such Remarketing Agent pursuant to Section 5(a) and Section 5(b), respectively.

(b) In addition, the Remarketing Agent may terminate this Agreement and all of its obligations hereunder with respect to VRDP Shares, by notifying the Fund, the Liquidity Provider and the Tender and Paying Agent of its election to do so, if any of the conditions referred to or set forth in Section 8 hereof with respect to VRDP Shares have not been met or satisfied in full and such failure shall have continued for a period of 30 days after such Remarketing Agent has given notice thereof to the Fund specifying the condition which has not been met and requiring it to be met; provided, however, that, subject to the last sentence of Section 8, termination of this Agreement with respect to VRDP Shares by the Remarketing Agent after giving the required notices with respect to VRDP Shares shall be immediate in the event of the occurrence and continuation of any event set forth in Section 8(b)(i), (ii) or (iii) hereof with respect to VRDP Shares.

(c) Upon termination of this Agreement, the Remarketing Agent, at the request of the Fund and at the expense of the Fund, shall use commercially reasonable efforts, subject to confidentiality restrictions, to deliver to the Fund or any person designated by the Fund information maintained by it with respect to the VRDP Shares in connection with its duties hereunder.

Section 11. Remarketing Agent's Performance; Duty of Care.

(a) The duties and obligations of the Remarketing Agent shall be determined solely by the express provisions of this Agreement and the Certificate of Designation. No implied covenants or obligations shall be read into this Agreement, or the Certificate of Designation. In the absence of bad faith on the part of the Remarketing Agent, the Remarketing Agent may conclusively rely upon any document furnished to it, which purports to conform to the requirements of this Agreement and the Certificate of Designation, as to the truth of the statements expressed in any of such documents. The Remarketing Agent shall be protected in acting upon any document or communication reasonably believed by it to have been signed, presented or made by the proper party or parties. The Remarketing Agent shall incur no liability to the Fund, the Fund's investment adviser (the "Adviser"), the Liquidity Provider, the Tender and Paying Agent or to any Beneficial Owner (or its Agent Member) or any Holder of the VRDP Shares in its individual capacity or as Remarketing Agent for any action or failure to act, in connection with its duties under this Agreement and the Certificate of Designation or otherwise, except as a result of its bad faith, gross negligence or willful misconduct on its part.

(b) The Remarketing Agent shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out or caused by the failure of any other party (other than an affiliate of the Remarketing Agent) to provide any notice, statement or document required to be delivered pursuant to any Related Document in connection with performance by the Remarketing Agent of the relevant obligation.

Section 12. Amendment, Supplement or Modification of Agreements. Without the prior written consent of the Remarketing Agent, the Fund will not agree or consent to any amendment, supplement or modification of the VRDP Shares Purchase Agreement, the Fee Agreement, the Tender and Paying Agent Agreement, this Agreement or the Certificate of Designation, nor waive any provision thereof, if such amendment, supplement, modification or waiver would materially adversely affect the interests of the Remarketing Agent, in the Remarketing Agent's sole discretion; provided, that, for purposes of this Section 12, any changes or amendments to the rating agency criteria provided in the Certificate of Designation for the VRDP Shares shall not be deemed to materially adversely affect the interests of the Remarketing Agent if immediately following such changes or amendments the VRDP Shares continue to be rated in the highest preferred stock ratings category by at least one NRSRO.

Section 13. Books and Records. The Remarketing Agent shall keep such books and records with respect to the performance of its duties hereunder as shall be consistent with prudent industry practice and shall, to the extent permitted by law, make such books and records available for inspection by the Fund and the Liquidity Provider on reasonable notice during normal business hours. Any costs and expenses associated with such inspections shall be for the account of the party requesting such inspection.

Section 14. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of New York, without regard to conflicts of laws principles that would require the application of the laws of another jurisdiction.

THE PARTIES HERETO HEREBY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF THE FEDERAL AND NEW YORK STATE COURTS LOCATED IN THE CITY OF NEW YORK AND ANY APPELLATE COURT FROM ANY THEREOF IN CONNECTION WITH ANY DISPUTE RELATED TO THIS AGREEMENT OR ANY MATTERS CONTEMPLATED HEREBY.

Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

The Fund, the Remarketing Agent, the Liquidity Provider and the Adviser each hereby irrevocably and unconditionally waive, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to the Related Documents in any court referred to in the preceding paragraph of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

Section 15. Waiver of Jury Trial. The Fund and the Remarketing Agent hereby waive trial by jury in any action, proceeding or counterclaim brought by any of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Agreement.

Section 16. Term of Agreement. Unless otherwise terminated in accordance with the provisions hereof, this Agreement shall remain in full force and effect from the date hereof with respect to the VRDP Shares until the first day thereafter on which no such VRDP Shares are outstanding. Regardless of any termination of this Agreement pursuant to any of the provisions hereof, the obligations of the Fund pursuant to Sections 3, 4 and 9 hereof and of the Remarketing Agent pursuant to Section 9 hereof shall remain operative and in full force and effect until fully satisfied.

Section 17. Successors and Assigns. The rights and obligations of the Fund hereunder may not be assigned or delegated to any other person without the prior written consent of the Remarketing Agent and the Liquidity Provider. The rights and obligations of the Remarketing Agent hereunder may not be assigned or delegated to any other person without the prior written consent of the Fund and the Liquidity Provider. This Agreement shall inure to the benefit of and be binding upon the Fund and the Remarketing Agent and their respective permitted successors and assigns, and, subject to Section 23, will not confer any benefit upon any other person, partnership, association or corporation other than persons, if any, controlling any Remarketing Agent within the meaning of Section 15 of the Securities Act, or Section 20 of the Exchange Act, or any Indemnified Person to the extent provided in Section 9 hereof. As used in this Section 17, the terms “successors” and “assigns” shall not include any purchaser of VRDP Shares merely because of such purchase.

Section 18. Headings. The section headings herein are for convenience of reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

Section 19. Severability. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any or all jurisdiction or jurisdictions, because it conflicts with any provision of any constitution, statute, rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case, circumstance or jurisdiction, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatsoever.

Section 20. Counterparts. This Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

Section 21. Remarketing Agent Not Acting as Underwriter. It is understood and agreed by the parties hereto that the only obligations of the Remarketing Agent hereunder are as set forth in Sections 2, 3, 9 and 13 hereof. When engaged in remarketing any properly-tendered VRDP Shares, the Remarketing Agent shall act only as agent for and on behalf of each owner of the VRDP Shares so tendered. The Remarketing Agent shall not act as an underwriter for the tendered VRDP Shares and shall in no way be obligated to advance its own funds to purchase any tendered VRDP Shares (except to the extent that in its individual capacity as purchaser of those VRDP Shares it may elect, in accordance with Section 6 hereof, to purchase, in its sole discretion) or to otherwise expend or risk its own funds or incur or become exposed to financial liability in the performance of its duties hereunder.

Section 22. Amendment. This Agreement may be amended by any instrument in writing signed by all of the parties hereto so long as this Agreement as amended is not inconsistent with the Certificate of Designation in effect as of the date of any such amendment, provided that the parties to this Agreement agree not to unreasonably withhold or delay consent to any proposed amendment to Section 2(m) hereof. The parties acknowledge that amendments to this Agreement (including with respect to Section 2(m)) are subject to prior notice requirements as set forth in the Tender and Paying Agent Agreement.

Section 23. Benefits. Nothing herein, express or implied, shall give to any person, other than the Fund, the Liquidity Provider, the Remarketing Agent and their respective permitted successors and assigns, any benefit of any legal or equitable right, remedy or claim hereunder. Without limiting the generality of the foregoing, no Holder or Beneficial Owner (or their Agent Member) of VRDP Shares shall have or be deemed to have any right in respect of, or shall in any event be entitled to enforce or to seek recourse against any person in respect of, any provision of this Agreement, and any and all rights of holders of VRDP Shares or obligations of the Fund in respect thereof arise only under and as governed solely by the Charter, Certificate of Designation and by-laws as they are in effect from time to time.

Section 24. Notices and Wire Instructions. Unless otherwise specified, any notices, requests, consents or other communications given or made hereunder or pursuant hereto shall be made in writing and shall be deemed to have been validly given or made when delivered or mailed, by registered or certified mail, return receipt requested and postage prepaid, or by prepaid courier service, in each case, addressed as follows: if to the Fund or the Adviser, to either of them at 100 Bellevue Parkway, Wilmington, Delaware 19809, Attention: Accounting Custody; if to the Remarketing Agent, to Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Bryant Park, 1111 Avenue of the Americas, 9th Floor, New York, New York 10036, Telephone: (212) 449-5544, Telecopy: (646) 736-6960, Email: dg.temm@baml.com, mona.payton@baml.com, Robert.holmes@baml.com and Robert.tomeny@baml.com; and if to the Tender and Paying Agent, to The Bank of New York Mellon, Corporate Trust Division, Dealing and Trading Group, 101 Barclay Street, Floor 7W, New York, New York 10286, Attention: Joseph Denno, Telephone: (212) 815-2898, Fax: (212) 815-2830, Email: joseph.denno@bnymellon.com, Christina Sotiriou, Telephone: (212) 815-2888, Fax: (212) 815-2830, Email: christina.sotiriou@bnymellon.com and Kristen Tartaglione, Telephone: (212) 815-2902, Fax: (212) 815-2830, Email: kristen.tartaglione@bnymellon.com; or to such other address as any of the foregoing persons shall specify to the parties hereto in writing.

The Purchase Price of remarketed VRDP Shares shall be paid by the Remarketing Agent in immediately available funds by wire transfer to the Tender and Paying Agent in accordance with the following instructions:

The Bank of New York Mellon
New York, New York
ABA# 021 000 018
G/L/A# 111 565
For Further Credit to Account #704158
Ref: mm/dd/yy and Event (e.g., Purchase Date or Mandatory Tender)
Attn: Joe Denno, Tel: (212) 815-2898

Email transmissions shall be deemed to have been validly given or made when sent to the following email addresses; if to the Fund or its investment adviser, to Accounting.Custody@BlackRock.com; if to the Remarketing Agent, to dg.temm@baml.com, mona.payton@baml.com, Robert.holmes@baml.com and Robert.tomeny@baml.com; or to such other address as any such parties shall specify to the other party in writing; if to the Liquidity Provider, to dg.pfloats@baml.com, james.nacos@baml.com and Thomas.visone@baml.com; and, if to the Tender and Paying Agent, to BlackRockTenders@bnymellon.com.

Section 25. Nonpetition Covenant. Notwithstanding any prior termination of this Agreement, Merrill Lynch, Pierce, Fenner & Smith Incorporated, solely in its capacity as Remarketing Agent, hereby covenants and agrees that it shall not, prior to the date which is one year and one day after the redemption and the payment in full of the VRDP Shares and all accumulated dividends, petition or otherwise invoke the process of any court or government authority for the purpose of commencing a case against, the Fund under any federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Fund or any substantial part of the property of the Fund; provided, however, that nothing in this provision shall preclude, or be deemed to stop, the Remarketing Agent from taking any action prior to the expiration of the aforementioned one year and one day period (x) in any case or proceeding voluntarily filed or commenced by the Fund, (y) in any involuntary insolvency proceeding filed or commenced against the Fund by a Person other than the Remarketing Agent, or (z) with respect to its rights or preferences as a Beneficial Owner or Holder of VRDP Shares.

Section 26. Confidentiality. All information, whether oral, written, via computer disk or electronic media or otherwise, to which it is given access or is made available to it by the other party (including by such other party's agents and representatives) in connection with the transactions contemplated by this Agreement or any other Related Document is referred to as "**Confidential Information**". Confidential Information shall include, without limitation, all technology, processes, trade secrets, contracts, proprietary information, portfolio information, historical and projected financial information, operating data and organizational cost structures, strategic or management plans, customer information and customer lists, whether received before or after the date hereof. Confidential Information shall also include information of or relating to any parent, subsidiary or affiliate of a party.

Each party agrees to hold all Confidential Information in confidence, that it will not disclose any Confidential Information to any person, other than directors, officers, employees, agents or representatives (including those of a legal nature) (collectively, the "**Representatives**") who have a need to know such information in connection with the transactions contemplated by this Agreement or any other Related Document (the "**Transactions**"), and that it will not use any such Confidential Information for purposes other than in connection with the Transactions. For the avoidance of doubt, any Rating Agency rating the VRDP Shares at the request of the Fund shall not be deemed to be a Representative for purposes of this Section 26 and will not be subject to the obligations of this Section 26. Each party agrees to inform its Representatives of the confidential and valuable nature of the Confidential Information and of its obligations under this Section 26. Each party shall be responsible and liable for any breach of this Section 26 by its Representatives. Each party agrees to use reasonable care and implement reasonable controls, but in all events at least the same degree of care and controls that it uses to protect its own confidential and proprietary information of similar importance, to prevent the unauthorized use, disclosure or availability of Confidential Information.

It is understood and agreed that no information shall be within the protection of this Section 26 where such information: (a) is or becomes publicly available through no fault of either party or its Representatives, (b) is authorized to be released by the disclosing party, (c) is rightly obtained from a third party, who, to the receiving party's knowledge, is not under obligation of confidentiality, (d) is required to be disclosed as a matter of law or legal process or (e) is made available to any regulatory body. Furthermore, the obligations of confidentiality set out in this Section 26 shall not extend to Confidential Information that is disclosed to Holders or Beneficial Owners or potential Holders or Beneficial Owners, in each case in their capacity as such, in the Remarketing Memorandum or the Remarketing Materials, in notices to Holders or Beneficial Owners pursuant to one or more of the Related Documents or pursuant to the Fund's or the Liquidity Provider's informational obligations under Rule 144A(d)(4) or other reporting obligation of the Securities and Exchange Commission.

In the event that either party to this Agreement or any of its Representatives become legally compelled (by deposition, interrogatory, request for documents, subpoena, regulatory request or demand, civil investigative demand or similar process ("**Legal Process**") to disclose any of the Confidential Information, such party may disclose such Confidential Information to the extent legally required; provided, however, that the Liquidity Provider shall, to the extent permitted by law, rule and regulation and reasonably practicable, notify the Fund prior to such disclosure by the Liquidity Provider so that the Fund may seek, at the Fund's expense, a protective order or other appropriate remedy; provided, further, that the Liquidity Provider will have no liability to the Fund for failure to provide such notice. In the absence of such protective order, other remedy or waiver by the Fund, the Liquidity Provider may disclose such Confidential Information to the extent legally required. Notwithstanding anything to the contrary contained herein, either party and its affiliates may disclose Confidential Information, without notice to the other party, to any governmental agency, regulatory authority or self-regulatory authority (including, without limitation, bank and securities examiners) having or claiming to have authority to regulate or oversee any aspect of the party's business or that of its affiliates in connection with the exercise of such authority or claimed authority. Nothing herein shall require a party to fail to honor any Legal Process on a timely basis.

In the event that this Agreement is terminated, or at any time upon request, each party agrees to return promptly or destroy all copies of the Confidential Information without retaining any copies thereof and to destroy all copies of any analyses, compilations, studies or other documents prepared by it or for its use containing or reflecting any Confidential Information. Provided however each party will be permitted to retain all or any portion of the Confidential Information to comply with its governing laws, regulations or internal policies. Such Confidential Information shall remain subject to the confidentiality obligations set forth in this Section 26.

Inasmuch as any breach of this Section 26 may result in immediate and irreparable injury, it is recognized and agreed that each party shall be entitled to equitable relief, including injunctive relief and specific performance, in addition to all other remedies available at law. Further, all obligations, rights and remedies hereunder shall survive any return or destruction of the Confidential Information and any termination of this Agreement; provided, however, that all obligations, rights and remedies hereunder shall survive the termination of this Agreement and remain in full force and effect for one (1) year after the termination of this Agreement.

It is further understood and agreed that no failure or delay by either party in exercising any right, power or privilege under this Section 26 shall operate as a waiver hereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege under this Section 26.

Section 27. Personal Liability. This Agreement is executed by or on behalf of the trustees of the Fund solely in their capacity as such trustees, and shall not constitute their personal obligation either jointly or severally in their individual capacities. In accordance with the Charter, no trustee, shareholder, officer, employee or agent of the Fund shall be held to any personal liability, nor shall resort be had to their private property for the satisfaction of any obligation or claim or otherwise under this Agreement and the Fund shall be solely liable therefor; all parties hereto shall look solely to the Fund property for the payment of any claim, or the performance of any obligation, hereunder.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed in its name and on its behalf by one of its duly authorized officers as of the date first above written.

BLACKROCK MUNIHOLDINGS INVESTMENT QUALITY
FUND

By /s/ Brendan Kyne
Name: Brendan Kyne
Title: Vice President

MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

By /s/ James Nacos
Name: James Nacos
Title: Authorized Signatory

ANNEX I

FORM OF REMARKETING NOTICE

[Date]

Bank of America, N.A.
One Bryant Park
1111 Avenue of the Americas, 9th Floor
New York, NY 10036
Attention: James Nacos/Thomas Visone
Telephone: (212) 449-7358 / (646) 743-1408
Fax: (646) 736-7286
Email: DG.Pfloats@baml.com; james.nacos@baml.com; Thomas.visone@baml.com

THE BANK OF NEW YORK MELLON
Corporate Trust Division
Dealing and Trading Group
101 Barclay Street, Floor 7W
New York, New York 10286
Fax: (212) 815-2830
Email: BlackRockTenders@bnymellon.com

[or to such other Person and/or address or telecopy number or email address as the Tender and Paying Agent and/or the Liquidity Provider may specify for the purpose by notice to the Remarketing Agent]

Re: BlackRock MuniHoldings Investment Quality Fund
Series W-7 Variable Rate Demand Preferred Shares (“VRDP Shares”)

Pursuant to Section 2(f) of the VRDP Shares Remarketing Agreement dated as of June 30, 2011 (the “VRDP Shares Remarketing Agreement”), by and among BlackRock MuniHoldings Investment Quality Fund, a non-diversified, closed-end investment company organized as a Massachusetts business trust, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, a Delaware corporation (the “Remarketing Agent”), the undersigned Remarketing Agent hereby notifies you of the following information regarding the Remarketing of the VRDP Shares as of the date hereof:

1. Information regarding the VRDP Shares is as follows:

VRDP Shares Series: _____

CUSIP number: _____

Purchase Date: _____

Purchase Price per share of VRDP Shares: _____

2. Remarketing Results:

(i) The number of VRDP Shares that were successfully remarketed for purchase on the Purchase Date: _____.

(ii) The aggregate Purchase Price of the VRDP Shares that were SOLD in the Remarketing: _____.

(iii) The number of VRDP Shares that were NOT successfully remarketed for purchase on the Purchase Date: _____.

(iv) The aggregate Purchase Price of the VRDP Shares that were NOT SOLD in the Remarketing, to be paid by the Liquidity Provider: _____.

3. The undersigned hereby acknowledges that this Remarketing Notice is being provided by 11:00 a.m., New York City time, on the Business Day immediately preceding the Purchase Date, by Electronic Means to the Liquidity Provider and to the Tender and Paying Agent.

4. Capitalized terms used herein shall have the meanings given to them in or by reference to the VRDP Shares Remarketing Agreement.

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
as Remarketing Agent

By: _____

Name:

Title:

ANNEX II

BLACKROCK MUNIHOLDINGS INVESTMENT QUALITY FUND (THE "FUND")
SERIES W-7
VARIABLE RATE DEMAND PREFERRED SHARES ("VRDP SHARES")
CUSIP NO. 09254P 702*

Mandatory Tender Notice

In accordance with the Fund's Certificate of Designation Establishing and Fixing the Rights and Preferences of Variable Rate Demand Preferred Shares ("**VRDP Shares**") dated June 28, 2011 (the "Certificate of Designation"), the Fund hereby notifies Holders of VRDP Shares and the Liquidity Provider of the Mandatory Tender of the Outstanding VRDP Shares for Remarketing or purchase by the Liquidity Provider on the Mandatory Tender Date specified below due to the occurrence of the following Mandatory Tender Event:

(please select the applicable Mandatory Tender Event)

- (i) [Failure by the Fund to make a scheduled payment of dividends on a Dividend Payment Date]
- (ii) [Liquidity Provider Ratings Event]
- (iii) [Failure by the Fund to pay the Liquidity Provider the applicable fee when due under the terms of the Fee Agreement if the Liquidity Provider (in its sole discretion) thereafter provides written notice to the Fund that such failure to pay such fee constitutes a Mandatory Tender Event]
- (iv) [The eighth day prior to the scheduled date of the occurrence of an Extraordinary Corporate Event]
- (v) [The Fund has obtained and delivered to the Tender and Paying Agent an Alternate VRDP Shares Purchase Agreement by the fifteenth day prior to the Scheduled Termination Date, Liquidity Provider Ratings Event Termination Date or Related Party Termination Date, as the case may be, of the VRDP Shares Purchase Agreement being replaced] [the effective date of the Alternate VRDP Shares Purchase Agreement is [●], and the Liquidity Provider is [●]]
- (vi) [The Fund has provided a Notice of Proposed Special Rate Period in accordance with the Certificate of Designation]

* NOTE: Neither the Fund nor the Tender and Paying Agent shall be responsible for the selection or use of the CUSIP Numbers selected, nor is any representation made as to its correctness indicated in any notice or as printed on any VRDP Share certificate. It is included solely as a convenience to Holders of VRDP Shares.

(vii) [A breach by the Fund of its Effective Leverage Ratio covenant with the Liquidity Provider in the Fee Agreement and the failure to cure such breach within 60 days from the date of such breach (which 60-day period would include the Effective Leverage Ratio Cure Period), if the Liquidity Provider (in its sole discretion) thereafter provides written notice to the Fund that the failure to timely cure such breach constitutes a Mandatory Tender Event (subject to the Fund curing such breach prior to the delivery date of such notice from the Liquidity Provider)]

The Purchase Date for all Outstanding VRDP Shares for purchase by the Remarketing Agent in the event of a successful Remarketing or otherwise by the Liquidity Provider will be _____, 20__.

(to determine the applicable Purchase Date, please note:)

The Purchase Date in respect of a Mandatory Tender Event will be not later than seven days following the date a Mandatory Tender Notice is sent to Holders by Electronic Means; provided, that: (i) the Purchase Date in connection with the failure of the Fund to pay the applicable fee to the Liquidity Provider may not be later than the last Business Day of the month such payment was due; (ii) the Purchase Date in connection with the occurrence of an Extraordinary Corporate Event (and, if no earlier Purchase Date is specified in a Mandatory Tender Notice with respect to such Extraordinary Corporate Event, the Business Day immediately preceding the occurrence of the Extraordinary Corporate Event will be deemed to be the Purchase Date irrespective of the failure to have given or sent a Mandatory Tender Notice); (iii) the Purchase Date in connection with the Fund obtaining an Alternate VRDP Shares Purchase Agreement may not be later than the Business Day immediately preceding the termination of the VRDP Shares Purchase Agreement and the effective date of such Alternate VRDP Shares Purchase Agreement (which may not be later than the termination date of the VRDP Shares Purchase Agreement); and (iv) the Purchase Date in connection with a Notice of Proposed Special Rate Period may not be later than the first day of such proposed Special Rate Period.

Upon the occurrence of a Mandatory Tender Event, all Outstanding VRDP Shares automatically will be subject to Mandatory Tender and delivered to the Tender and Paying Agent for purchase on the designated Purchase Date by purchasers in the Remarketing in the event of a successful Remarketing or otherwise by the Liquidity Provider, including any VRDP Shares previously tendered pursuant to an Optional Tender for which the Purchase Date has not yet occurred.

In the event that VRDP Shares are issued in certificated form and a Holder of VRDP Shares fails to deliver such VRDP Shares to which a Mandatory Tender relates on or prior to the Purchase Date, the Holder of such VRDP Shares will not be entitled to any payment (including any accumulated but unpaid dividends thereon, whether or not earned or declared) other than the Purchase Price of such undelivered VRDP Shares as of the scheduled Purchase Date. Any such undelivered VRDP Shares will be deemed to be delivered to the Tender and Paying Agent, and the Tender and Paying Agent will place stop-transfer orders against the undelivered VRDP Shares. Any money held by the Tender and Paying Agent for the purchase of undelivered VRDP Shares will be held in a separate account by the Tender and Paying Agent, will not be invested, and will be held for the exclusive benefit of the Holder of such undelivered VRDP Shares. The undelivered VRDP Shares will be deemed to be no longer Outstanding (except as to entitlement to payment of the Purchase Price), and the Fund will issue to the purchaser a replacement VRDP Share certificate in lieu of such undelivered VRDP Shares.

Any notice given to Holders in respect of a Mandatory Tender shall be conclusively presumed to have been duly given, whether or not the Holders receive such notice.

Terms used herein and not otherwise defined shall have the meanings given to such terms in the Certificate of Designation.

Dated: _____

BLACKROCK MUNIHOLDINGS INVESTMENT QUALITY FUND

By: _____

Name: _____

Title: _____

SCHEDULE I

MAXIMUM RATE ADJUSTMENTS

[On File]

AMENDMENT

dated as of

April 17, 2014

to the

VRDP SHARES REMARKETING AGREEMENT

dated as of

June 30, 2011

between

BlackRock MuniHoldings Investment Quality Fund

and

Merrill Lynch, Pierce, Fenner & Smith Incorporated

Series W-7
Variable Rate Demand Preferred Shares ("VRDP Shares")

**AMENDMENT
TO THE
VRDP SHARES REMARKETING AGREEMENT**

AMENDMENT TO THE VRDP SHARES REMARKETING AGREEMENT, dated as of April 17, 2014 (this “**Amendment**”)

BETWEEN:

- (1) **BlackRock MuniHoldings Investment Quality Fund**, a closed-end investment company organized as a Massachusetts business trust, (the “**Fund**”); and
- (2) Merrill Lynch, Pierce, Fenner & Smith Incorporated, a Delaware corporation, (the “**Remarketing Agent**”).

WHEREAS:

The Fund issued pursuant to its Certificate of Designation Establishing and Fixing the Rights of VRDP Shares, dated June 28, 2011, as the same may be amended (the “**Certificate of Designation**”) its Series W-7 Variable Rate Demand Preferred Shares (the “**VRDP Shares**”);

In connection with the issuance of the VRDP Shares, the Fund and the Remarketing Agent entered into a VRDP Shares Remarketing Agreement, dated as of June 30, 2011 (the “**Remarketing Agreement**”) pursuant to which the Remarketing Agent agreed to act as agent for the Fund for the remarketing of the VRDP Shares that may be tendered for purchase from time to time and to perform certain other duties for the Fund;

The Fund has determined to designate a Special Rate Period for the VRDP Shares pursuant to, and in accordance with, the Certificate of Designation. The Special Rate Period will commence on April 17, 2014 and end on April 19, 2017 or such later date to which it may be extended in accordance with the terms set forth under “Additional Provisions Relating to the Termination of Special Rate Period” in the Notice of Special Rate Period attached hereto as Exhibit A (the “**Notice of Special Rate Period**”). All references in this Amendment to the “Special Rate Period” shall be to such Special Rate Period; and

The Fund and the Remarketing Agent wish to amend the Remarketing Agreement for the purpose of modifying certain of the respective rights and duties of the Fund and the Remarketing Agent under the Remarketing Agreement during the Special Rate Period.

NOW, THEREFORE, in consideration of the respective agreements contained herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**ARTICLE I
MODIFICATIONS TO THE REMARKETING AGREEMENT**

SECTION 1.01. Definitions.

(a) Capitalized terms used but not defined in this Amendment shall have the meanings given to such terms in the Remarketing Agreement or by reference therein to other Related Documents.

SECTION 1.02. Modifications to the Remarketing Agreement.

(a) The Remarketing Agent shall not be required to establish the Applicable Rate, calculate the Maximum Rate or provide any notification thereof during the Special Rate Period.

(b) During the period from (and including) the first day of the Special Rate Period to (but excluding) the day that is seven days prior to the end of the Special Rate Period, Section 4 of the Remarketing Agreement shall be amended by replacing the fee rate of 0.10% with a fee rate of 0.01%.

(c) During the period from (and including) the first day of the Special Rate Period to (but excluding) the day that is seven days prior to the end of the Special Rate Period, Section 7 of the Remarketing Agreement shall not be applicable with respect to the information required to be delivered to the Remarketing Agent.

(d) Except to the extent provided in the Notice of Special Rate Period, Section 2(q) of the Remarketing Agreement shall not be applicable during the Special Rate Period.

(e) Beneficial Owners and Holders shall not have the right to tender their VRDP Shares for Remarketing pursuant to an Optional Tender during the Special Rate Period.

(f) During the Special Rate Period, there shall be no Mandatory Tender Events or Mandatory Tenders or any consequences or penalties as a result of there being no Mandatory Tender Events or Mandatory Tenders.

(g) Notwithstanding Section 2(m) of the Remarketing Agreement, during the Special Rate Period, the Remarketing Agent shall not transfer or dispose of any VRDP Shares owned by the Remarketing Agent, except in accordance with Section 3.02 of the Amendment, dated as of April 17, 2014, to the VRDP Shares Fee Agreement, dated as of June 30, 2013, by and between the Fund and Bank of America, N.A. (the "**Amendment to the Fee Agreement**"), as if such Section 3.02 applied to the Remarketing Agent rather than Bank of America, N.A.

(h) Section 2(p) of the Remarketing Agreement shall have no effect during the Special Rate Period.

(i) During the Special Rate Period, whenever the Fund intends or expects to include any net capital gains or ordinary income taxable for regular federal income tax purposes in any dividend on VRDP Shares, the Fund shall notify the Tender and Paying Agent of the amount to be so included (i) not later than 14 calendar days preceding the first SRP Calculation Date on which the SRP Applicable Rate for such dividend is to be established and (ii) for any successive SRP Calculation Date on which the SRP Applicable Rate for such dividend is to be established, not later than the close of business on the immediately preceding SRP Calculation Date. Whenever such advance notice is received from the Fund, the Tender and Paying Agent will notify each Holder and each Beneficial Owner or its Agent Member identified to the Tender and Paying Agent. With respect to a Rate Period for which such advance notice was given and whose dividends are comprised partly of such ordinary income or capital gains and partly of exempt-interest income, the different types of income will be paid in the same relative proportions for each day during the SRP Calculation Period.

(j) During the Special Rate Period, notwithstanding Section 5(b)(i) or Section 8(b)(i), the Remarketing Agent may not have the right to resign or terminate the Remarketing Agent as a result of the withdrawal of the VRDP Shares' short-term preferred shares ratings by a Rating Agency, and there shall be no other consequences, penalties or notices thereof with respect to such withdrawal.

SECTION 1.03. The Notice of Special Rate Period and Ambiguities

(a) During the Special Rate Period, the terms and provisions of the Notice of Special Rate Period shall be deemed a part of the Certificate of Designation.

(b) In the event of any conflict between the terms of the Notice of Special Rate Period and the terms of the Remarketing Agreement (as amended by this Amendment) or the Related Documents (as amended by any amendments thereto), the terms of the Notice of Special Rate Period shall govern.

**ARTICLE II
MISCELLANEOUS**

SECTION 2.01. Successors and Assigns.

The provisions of this Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Neither party hereto may assign or otherwise transfer any of its rights under this Amendment, by operation of law or otherwise, without the prior written consent of the other party. Any assignment without such prior written consent shall be void.

SECTION 2.02. Governing Law.

This Amendment shall be construed in accordance with and governed by the laws of the State of New York, without regard to conflict of laws principles that would require the application of the laws of another jurisdiction.

THE PARTIES HERETO HEREBY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF THE FEDERAL AND NEW YORK STATE COURTS LOCATED IN THE CITY OF NEW YORK AND ANY APPELLATE COURT FROM ANY THEROF IN CONNECTION WITH ANY DISPUTE RELATED TO THIS AMENDMENT OR ANY MATTERS CONTEMPLATED HEREBY.

SECTION 2.03. Waiver of Jury Trial.

THE FUND AND THE REMARKETING AGENT HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AMENDMENT.

SECTION 2.04. Counterparts.

This Amendment 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 2.05. Beneficiaries.

This Amendment is not intended and shall not be construed to confer upon any Person other than the parties hereto and their successors and permitted assigns any rights or remedies hereunder.

SECTION 2.06. Indemnification.

During the Special Rate Period, references to this "Agreement" and "hereunder" in Section 9 of the Remarketing Agreement shall mean the Remarketing Agreement, as amended by this Amendment.

SECTION 2.07. Personal Liability.

This Amendment is executed by or on behalf of the trustees of the Fund solely in their capacity as such trustees, and shall not constitute their personal obligation either jointly or severally in their individual capacities. The Charter is on file with the Secretary of the Commonwealth of Massachusetts. In accordance with the Charter, no trustee, shareholder, officer, employee or agent of the Fund shall be held to any personal liability, nor shall resort be had to their private property for the satisfaction of any obligation or claim or otherwise under this Amendment and the Fund shall be solely liable therefor; all parties hereto shall look solely to the Fund property for the payment of any claim, or the performance of any obligation, hereunder.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

BLACKROCK MUNIHOLDINGS INVESTMENT QUALITY FUND

By: /s/ Robert W. Crothers

Name: Robert W. Crothers

Title: Vice President

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

By: /s/ James Nacos

Name: James Nacos

Title: Authorized Signatory

Signature Page to the Amendment to the MFL Remarketing Agreement

NOTICE OF SPECIAL RATE PERIOD

[On File]

LIMITED POWER OF ATTORNEY

BANK OF AMERICA CORPORATION, a Delaware corporation (the "Corporation"), does hereby irrevocably make, constitute, and appoint each of Sun Kyung Bae, Szabina Biro, Christopher Johnston and Eugene Rosati as an attorney-in-fact for the Corporation acting for the Corporation and in the Corporation's name, place and stead, for the Corporation's use and benefit, to bind the Corporation by their execution of those agreements, forms and documents related specifically to Section 13 and Section 16 of the Securities Exchange Act of 1934, and other large shareholder and short position regulatory reporting requirements in other jurisdictions. Any documents executed by an attorney-in-fact in accordance with this Limited Power of Attorney shall fully bind and commit the Corporation and all other parties to such documents may rely upon the execution thereof by the attorney-in fact as if executed by the Corporation and as the true and lawful act of the Corporation.

This Limited Power of Attorney shall automatically terminate as to the authority of Sun Kyung Bae, Szabina Biro, Christopher Johnston and Eugene Rosati upon each such attorney-in-fact's resignation or termination from or transfer out of the Compliance Department; however; any such termination shall have no impact on any document or instrument connected therewith executed by any attorney-in-fact named above for the Corporation prior to such termination.

IN WITNESS WHEREOF, this Power of Attorney has been executed and delivered by the Corporation to each Attorney-in-Fact on this 21st day of April, 2014.

BANK OF AMERICA CORPORATION

By: /s/ Ellen A. Perrin
Ellen A. Perrin
Assistant General Counsel

(CORPORATE SEAL)

VOTING TRUST AGREEMENT

THIS VOTING TRUST AGREEMENT (this "**Agreement**") is made and entered into effective for all purposes and in all respects as of April 17, 2014 by and among Lord Securities Corporation, as trustee (the "**Trustee**" or any successor thereto), Banc of America Preferred Funding Corporation, a Delaware corporation, including its successors and assigns by operation of law ("**PFC**" or the "**Purchaser**") and Institutional Shareholder Services Inc. (the "**Voting Consultant**" or any successor thereto).

WHEREAS, the Purchaser is the legal and Beneficial Owner of Variable Rate Demand Preferred Shares ("**VRDP Shares**") of BlackRock MuniHoldings Investment Quality Fund (the "**Fund**") pursuant to the terms of the amendment dated as of April 17, 2014 to the VRDP Shares fee agreement, dated as of June 30, 2011, between Bank of America, N.A. ("**BANA**") and the Fund (the "**Fee Agreement Amendment**");

WHEREAS, the Purchaser desires to transfer and assign irrevocably to the Trustee, and the Trustee desires to accept such transfer and assignment of, the right to vote and consent for the Purchaser in connection with all of its voting and consent rights and responsibilities, as set forth in Section 1 below, as a Beneficial Owner of (i) VRDP Shares acquired by the Purchaser pursuant to the Fee Agreement Amendment (such VRDP Shares, when owned by the Purchaser, the "**Subject Shares**") and (ii) any additional shares of VRDP Shares or preferred shares of any class or series of the Fund having voting powers of which an Affiliate of PFC is the Beneficial Owner or that the Purchaser becomes the Beneficial Owner of during the term of this Agreement (any such additional preferred shares of the Fund having voting powers being "**Additional Shares**" and when so acquired will become a part of the "**Subject Shares**" covered by this Agreement);

WHEREAS, the Voting Consultant shall analyze any matters requiring the owner of Subject Shares, to vote or consent in its capacity as an equity holder (whether at a meeting or via a consent solicitation), and shall provide a recommendation to the Trustee of how to vote or consent with respect to such voting or consent matters;

WHEREAS, the Voting Consultant and the Trustee are Independent of the Purchaser; and

WHEREAS, the parties hereto desire to set forth in writing their understandings and agreements.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises hereinafter set forth and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending legally and equitably to be bound, hereby agree as follows:

1. Creation of Trust

The Purchaser hereby irrevocably transfers and assigns to the Trustee, and the Trustee hereby accepts the transfer and assignment of, the right to vote and consent for the Purchaser in connection with all of its voting and consent rights and responsibilities as Beneficial Owner of the Subject Shares with respect to the following matters (collectively, the "**Voting Matters**"):

(a) the election of the two members of the Board for which Holders of VRDP Shares are exclusively entitled to vote under Section 18(a)(2)(C) of the Investment Company Act of 1940, as amended (the "**1940 Act**") and all other rights given to Holders of VRDP Shares with respect to the election of the Board of the Fund;

(b) the conversion of the Fund from a closed-end management company to an open-end management company, or to change the Fund's classification from diversified to non-diversified, each pursuant to Section 13(a)(1) of the 1940 Act (any of the foregoing, a "**Conversion**"), together with any additional voting or consent right under the Certificate of Designation and the Fee Agreement Amendment that relates solely to any action or amendment to the Certificate of Designation that is so closely related to the Conversion that it would be impossible to give effect to the Conversion without implicating such additional voting or consent right; *provided* that any such additional voting or consent right shall not include any voting or consent right related to satisfying any additional term, condition or agreement which the Conversion is conditioned upon or subject to or, for the avoidance of doubt, any voting or consent right relating to any amendment or waiver of Section 6, 7 or 10 of the Certificate of Designation or any definitions relevant to such Section;

(c) the deviation from a policy in respect of concentration of investments in any particular industry or group of industries as recited in the Fund's registration statement, pursuant to Section 13(a)(3) of the 1940 Act (a "**Deviation**"), together with any additional voting or consent right under the Certificate of Designation and the Fee Agreement Amendment that relates solely to any action or amendment to the Certificate of Designation that is so closely related to the Deviation that it would be impossible to give effect to the Deviation without implicating such additional voting or consent right; *provided* that any such additional voting or consent right shall not include any voting or consent right related to satisfying any additional term, condition or agreement which the Deviation is conditioned upon or subject to or, for the avoidance of doubt, any voting or consent right relating to any amendment or waiver of Section 6, 7 or 10 of the Certificate of Designation or any definitions relevant to such Section; and

(d) borrowing money, issuing senior securities, underwriting securities issued by other Persons, purchasing or selling real estate or commodities or making loans to other Persons other than in accordance with the recitals of policy with respect thereto in the Fund's registration statement, pursuant to Section 13(a)(2) of the 1940 Act (any of the foregoing, a "**Policy Change**"), together with any additional voting or consent right under the Certificate of Designation and the Fee Agreement Amendment that relates solely to any action or amendment to the Certificate of Designation that is so closely related to the Policy Change that it would be impossible to give effect to the Policy Change without implicating such additional voting or consent right; *provided* that any such additional voting or consent right shall not include any voting or consent right related to satisfying any additional term, condition or agreement which the Policy Change is conditioned upon or subject to or, for the avoidance of doubt, any voting or consent right relating to any amendment or waiver of Section 6, 7 or 10 of the Certificate of Designation or any definitions relevant to such Section.

In order to effect the transfer of voting and consent rights with respect to the Voting Matters, PFC hereby irrevocably appoints and constitutes, and will cause each of its Affiliates who are Beneficial Owners of any Subject Shares to irrevocably appoint and constitute, the Trustee as its attorney-in-fact and agrees, and agrees to cause each of such Affiliates, to grant the Trustee one or more irrevocable proxies with respect to the Voting Matters and further agrees to renew any such proxies that may lapse by their terms while the Subject Shares are still subject to this Agreement.

PFC will retain all other voting rights under the Related Documents and PFC, its Affiliates or designee will also be the registered owner of the VRDP Shares. If any dividend or other distribution in respect of the Subject Shares is paid, such dividend or distribution will be paid directly to PFC or its Affiliate or designee owning such Subject Shares; *provided*, that, any Additional Shares will become part of the Subject Shares covered by this Agreement.

2. Definitions

"**Affiliate**" means, with respect to a Person, (i) any other Person who, directly or indirectly, is in control of, or controlled by, or is under common control with, such Person or (ii) any other Person who is a director, officer, employee or general partner (a) of such Person, (b) of any majority-owned subsidiary or parent company of such Person or (c) of any Person described in clause (i) above. For the purposes of this definition, "control" of a Person shall mean the power, direct or indirect, (x) to vote more than 25% of the securities having ordinary voting power for the election of directors of such Person or (y) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise. For the purpose of this Agreement, the term "Affiliate" shall include a tender option bond trust of which BANA and/or one or more of its Affiliates collectively owns a majority of the residual interests.

"**Beneficial Owner**" means, any Person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares (i) voting power which includes the power to vote, or to direct the voting of, securities and/or (ii) investment power which includes the power to dispose, or to direct the disposition of, securities.

"**Board**" means the Board of Directors/Board of Trustees of the Fund or any duly authorized committee thereof.

"**Certificate of Designation**" means the Fund's Certificate of Designation Establishing and Fixing the Rights and Preferences of the Variable Rate Demand Preferred Shares, as amended from time to time in accordance with the provisions thereof.

"**Excluded Transfer**" means any transfer of VRDP Shares (1) to a tender option bond trust in which BANA and/or its Affiliates collectively own all of the residual interests, (2) in connection with a distribution in-kind to the holders of securities of or receipts representing an ownership interest in any tender option bond trust in which BANA and/or its Affiliates collectively own all of the residual interests, (3) in connection with a repurchase financing transaction or (4) relating to a collateral pledge arrangement.

"**Independent**" means, as to any Person, any other Person who (i) does not have and is not committed to acquire any material direct or any material indirect financial interest in such Person, (ii) is not connected with such Person as an officer, employee, promoter, underwriter, partner, director or Person performing similar functions and (iii) is not otherwise subject to the undue influence or control of such other Person. For purposes of this definition, no Person will fail to be Independent solely because such Person acts as a voting consultant or trustee in respect of property owned by another Person or its Affiliates pursuant to this Agreement or any other agreement. With respect to item (i) above, "material direct or material indirect financial interest" means, (1) as to any Person, owning directly or indirectly (as principal for such Person's own account) at least 5% of any class of the outstanding equity or debt securities issued by any other Person or (2) with respect to a Person (the "**Investor**") owning directly or indirectly (as principal for the Investor's own account) outstanding equity or debt securities of any other Person in an amount at least equal to 5% of the total consolidated shareholders, equity of the Investor (measured in accordance with U.S. generally accepted accounting principles).

"**Person**" means and includes an individual, a partnership, a corporation, a trust, an unincorporated association, a joint venture or other entity or a government or any agency or political subdivision thereof.

Each capitalized term used herein and not otherwise defined herein shall have the meaning provided therefor (including by incorporation by reference) in the Certificate of Designation.

3. Right to Transfer

The Purchaser shall have the right to sell or otherwise transfer the Subject Shares at any time in its sole discretion, subject to the transfer restrictions contained in Section 3.02 of the Fee Agreement Amendment. Upon the transfer of the Subject Shares by the Purchaser to any third party (other than a transfer to an Affiliate of the Purchaser in which case such Subject Shares shall remain subject to this Agreement) such Subject Shares shall no longer be subject to this Agreement; *provided, however*, in connection with an Excluded Transfer:

(a) of the type specified in clause (1) of the definition of Excluded Transfer, the Subject Shares shall remain subject to this Agreement until such time as the Fund, upon the request of BANA or the relevant Affiliate, enters into a voting arrangement satisfying Section 12(d)(1)(E)(iii) of the 1940 Act;

(b) of the type specified in clauses (3) or (4) of the definition of Excluded Transfer, to the extent BANA or any of its Affiliates retains the right to vote or direct voting in connection with such transactions, the Subject Shares shall remain subject to this Agreement until such time as there is a default by BANA or such Affiliate under such repurchase transaction or collateral pledge arrangement; and

(c) of the type specified in clauses (3) or (4) of the definition of Excluded Transfer, to the extent BANA or any of its Affiliates does not retain the right to vote or direct voting of such Subject Shares in such transactions, such transactions do not permit the removal of the Subject Shares' rights transferred to the Voting Trust pursuant to this Agreement within the first 60 days of closing of such transferee becoming the Beneficial Owner of such Subject Shares unless there is a default by BANA or such Affiliate under such repurchase transaction or collateral pledge arrangement.

4. Trustee

(a) **Rights And Powers Of Trustee.** With respect to Subject Shares where the Purchaser is the Beneficial Owner, the Trustee shall, in person or by nominees, agents, attorneys-in-fact, or proxies, have the right and the obligation to exercise its discretion with respect to all Voting Matters requiring Holders of VRDP Shares to vote or consent with respect to and including voting or consenting to any corporate or shareholder action of any kind whatsoever, subject to the terms of this Agreement. The Trustee shall be obligated to vote any Voting Matter in accordance with the provisions of this Agreement.

(b) **Liability Of Trustee.** In exercising the rights and powers of the Trustee, the Trustee will exercise any rights and powers in the Trustee's best judgment; *provided, however*, the Trustee shall not be liable for any action taken by such Trustee or the Trustee's agent, except for liability arising from the Trustee's bad faith, wilful misconduct or gross negligence. The Trustee shall not be required to give any bond or other security for the discharge of the Trustee's duties.

(c) **Resignation of and Successor Trustee.** The Trustee may at any time resign the Trustee's position as Trustee by delivering a resignation in writing to the Purchaser and the Voting Consultant to become effective 90 days after the date of such delivery, but in any event such notice shall not become effective prior to the acceptance of a successor Trustee. The Trustee shall nominate a successor Trustee acceptable to the Purchaser, who shall have all rights, powers and obligations of the resigning Trustee as set forth in this Agreement, and all rights, powers and obligations of the resigning Trustee hereunder shall immediately terminate upon the acceptance by the successor Trustee of such nomination and the execution of this Agreement by the successor Trustee as "Trustee" hereunder. No such resignation shall become effective until such time as a successor Trustee has been appointed and such appointment has been accepted. The fact that any Trustee has resigned such Trustee's position as a Trustee shall not act, or be construed to act, as a release of any Subject Shares from the terms and provisions of this Agreement.

(d) **Removal.** The Trustee may be removed by the Purchaser upon 30 days prior written notice upon either (i) a material breach by the Trustee of its obligations hereunder or (ii) any action or inaction of the Trustee which constitutes bad faith, negligence or wilful misconduct in the performance of its obligations hereunder.

(e) **Independent.** The Trustee represents that it is Independent of PFC.

5. Voting Consultant

(a) **Liability Of Voting Consultant.** In providing its voting recommendations on Voting Matters hereunder, the Voting Consultant will provide such recommendations in the Voting Consultant's best judgment with respect to the Voting Matters for the VRDP Shares; *provided, however*, the Voting Consultant shall not be liable for any action taken by such Voting Consultant or the Voting Consultant's agent, except for liability arising from the Voting Consultant's bad faith, wilful misconduct or gross negligence. For the avoidance of doubt, the Voting Consultant's maximum liability shall be limited to an amount not to exceed the total amounts of the fees the Voting Consultant receives from the Purchaser under the Master Agreement (as defined in Section 5(d)) in any one year period for any and all claims made within that one year period; *provided* that if a breach of Section 5(e) is determined to have occurred, the sole remedy shall be the immediate removal of the Voting Consultant by the Purchaser in the Purchaser's sole discretion and no monetary damages shall be due or payable. In addition, the Voting Consultant shall not be liable for any action taken by the Trustee contrary to the recommendations provided by the Voting Consultant.

(b) **Resignation of and Successor Voting Consultant.** The Voting Consultant may at any time resign the Voting Consultant's position as Voting Consultant by delivering a resignation in writing to the Purchaser and to the Trustee to become effective 90 days after the date of such delivery. Upon receipt of the Voting Consultant's written resignation, the Purchaser shall use commercially reasonable efforts to appoint a successor Voting Consultant which has been consented to by the Trustee, such consent not to be unreasonably withheld. If the Voting Consultant shall resign but a successor Voting Consultant has not assumed all of the Voting Consultant's duties and obligations within 90 days of such resignation, the Voting Consultant may petition any court of competent jurisdiction for the appointment of a successor Voting Consultant. No such resignation shall become effective until such time as a successor Voting Consultant has been appointed and such appointment has been accepted.

(c) **Removal.** The Voting Consultant may be removed by the Purchaser upon 30 days prior written notice upon either (i) a material breach by the Voting Consultant of its obligations hereunder or (ii) any action or inaction of the Voting Consultant which constitutes bad faith, gross negligence or wilful misconduct in the performance of its obligations hereunder.

(d) **Contract.** A separate contract, that certain Master Services Agreement No. (24828001-001) by and between the Voting Consultant and the Purchaser, as may be amended from time to time with the prior written consent of the parties thereto (the "**Master Agreement**"), sets forth additional details, including fees, pursuant to which the Voting Consultant is providing the services contemplated hereunder.

(e) **Independent.** The Voting Consultant represents that it is Independent of PFC; *provided, however*, if the Voting Consultant becomes aware that the Voting Consultant is no longer Independent of the Purchaser, the Voting Consultant shall promptly, and in no event later than two Business Days after becoming aware, notify the Purchaser and shall abstain from making voting recommendations during any period of time during which the Voting Consultant is not Independent of the Purchaser. If the Voting Consultant notifies the Purchaser that it is no longer Independent of the Purchaser, the Purchaser shall use commercially reasonable efforts to identify and appoint a replacement voting consultant.

6. Amount of Subject Shares Notification

On any and each date that the Purchaser sells or otherwise transfers any Subject Shares to another Beneficial Owner, the Purchaser shall promptly notify the Trustee of such occurrence and the number of VRDP Shares that the Purchaser then owns.

7. Voting Communications

The Purchaser shall notify the Trustee and the Voting Consultant as soon as possible, and in any event, not later than five Business Days after receipt of notice that a vote of the holders of VRDP Shares has been requested or permitted on any Voting Matter and the Purchaser shall, within such same time frame, forward any information sent to the Purchaser in connection with such vote to the Trustee and the Voting Consultant by Electronic Means.

The Voting Consultant shall analyze and provide a voting or consent recommendation to the Trustee with respect to each Voting Matter in respect of the Subject Shares. The Trustee is obligated to act in accordance with the voting or consent recommendation made by the Voting Consultant in its voting or consent direction to the Purchaser. In all Voting Matters, the Trustee shall use the proxies granted to it by the Purchaser to vote or consent the Subject Shares in accordance with the voting or consent recommendation made by the Voting Consultant and the Purchaser shall not exercise any voting or consent rights in such matters.

If the Voting Consultant fails to provide a voting or consent recommendation to the Trustee on or prior to the deadline for submission of such vote or consent, the Trustee shall not provide a vote or consent on behalf of the Purchaser on such deadline and shall provide notice of the failure to receive a voting or consent recommendation to the Purchaser and the Voting Consultant.

8. Indemnification

(a) Of the Trustee and the Voting Consultant. The Purchaser shall indemnify and hold the Trustee and the Voting Consultant and such Trustee's and such Voting Consultant's agents harmless from and against any and all liabilities, obligations, losses, damages, penalties, taxes, claims, actions, suits, reasonable costs, reasonable expenses or disbursements (including reasonable legal fees and expenses) of any kind and nature whatsoever in connection with or growing out of (i) with respect to the Trustee, the administration of the voting trust created by this Agreement or (ii) with respect to the Trustee and the Voting Consultant, the exercise of any powers or the performance of any duties by the Trustee or the Voting Consultant as herein provided or contemplated, including, without limitation, any action taken or omitted to be taken, except, with respect to the Trustee and the Voting Consultant separately, such as may arise from the bad faith, willful misconduct or gross negligence of the Trustee or the Voting Consultant, respectively. In no event shall the Purchaser be liable for special, incidental, indirect or consequential damages.

(b) Of the Purchaser and the Voting Consultant. The Trustee shall indemnify and hold the Purchaser and the Voting Consultant and the Purchaser's and the Voting Consultant's agents harmless from and against any and all liabilities, obligations, losses, damages, penalties, taxes, claims, actions, suits, reasonable costs, reasonable expenses or disbursements (including reasonable legal fees and expenses) of any kind and nature whatsoever in connection with or growing out of (i) with respect to the Purchaser, the administration of the voting trust created by this Agreement or (ii) with respect to the Purchaser and the Voting Consultant, the exercise of any powers or the performance of any duties by the Purchaser or the Voting Consultant as herein provided or contemplated, including, without limitation, any action taken or omitted to be taken, except, with respect to the Purchaser and the Voting Consultant separately, such as may arise from the wilful misconduct or gross negligence of the Purchaser or the Voting Consultant, respectively. In no event shall the Trustee be liable for special, incidental, indirect or consequential damages.

(c) Of the Purchaser and the Trustee. The Voting Consultant shall indemnify and hold the Purchaser and the Trustee and the Purchaser's and the Trustee's agents harmless from and against any and all liabilities, obligations, losses, damages, penalties, taxes, claims, actions, suits, reasonable costs, reasonable expenses or disbursements (including reasonable legal fees and expenses) of any kind and nature whatsoever which may be imposed, incurred or asserted against the Purchaser or the Trustee in connection with the wilful misconduct or gross negligence of the Voting Consultant in connection with the exercise of any powers or the performance of any duties by the Voting Consultant as herein provided or contemplated, including, without limitation, any action taken or omitted to be taken, except, with respect to the Purchaser and the Trustee separately, such as may arise from the wilful misconduct or gross negligence of the Purchaser or the Trustee, respectively; *provided, however*, that the Voting Consultant's maximum liability under this Section 8(c) shall be limited to an amount not to exceed the total amount of the fees the Voting Consultant receives from the Purchaser under the Master Agreement in any one year period for any and all claims made within that one year period. In no event shall the Voting Consultant be liable for special, incidental, indirect or consequential damages.

(d) Conditions to Indemnification. An indemnified party must give the other party(ies) prompt written notice of any claim and allow the indemnifying party to defend or settle the claim as a condition to indemnification. No settlement shall bind any party without such party's written consent.

9. Termination of Agreement

(a) This Agreement and the voting trust created hereby shall terminate with respect to all of the Subject Shares (i) at the option of PFC, upon the non-payment of dividends on the VRDP Shares for two years, (ii) at the option of PFC, upon PFC and its Affiliates in the aggregate owning less than 20% of the Outstanding VRDP Shares or (iii) as provided with respect to certain transfers of Subject Shares in Section 3 above.

(b) Upon the termination of this Agreement with respect to the Subject Shares, the voting trust created pursuant to Section 1 hereof shall cease to have any effect with respect to the Subject Shares, and the parties hereto shall have no further rights or obligations under this Agreement with respect to the Subject Shares.

10. Trustee's Compensation

The Trustee shall be entitled to the compensation set forth in the letter agreement between the Purchaser and the Trustee dated as of April 17, 2014, as may be amended from time to time.

11. Voting Consultant's Compensation

The Voting Consultant shall be entitled to the compensation pursuant to the Master Agreement.

12. Tax Treatment

It is the intention of the parties hereto that for all federal, state and local income and other tax purposes the Purchaser or the applicable Beneficial Owner, as the case may be, shall be treated as the owner of the Subject Shares and, except as otherwise required by law, no party shall take a contrary position in any tax return or report or otherwise act in a contrary manner.

13. Notices

All notices, requests and other communications to the Purchaser, the Trustee or the Voting Consultant shall be in writing (including telecopy, electronic mail or similar writing), except in the case of notices and other communications permitted to be given by telephone, and shall be given to such party at its address or telecopy number or email address set forth below or to such other Person and/or such other address or telecopy number or email address as such party may hereafter specify for the purpose by notice to the other party. Each such notice, request or other communication shall be effective (i) if given by mail, five days after such communication is deposited in the mail, return receipt requested, addressed as aforesaid, or (ii) if given by any other means, when delivered at the address specified in this Section. The notice address for each party is specified below:

if to the Purchaser:

Banc of America Preferred Funding Corporation
One Bryant Park
1111 Avenue of the Americas, 9th Floor
New York, New York 10036
Attention: James Nacos/Thomas Visone/Jason Strand
Telephone: (212) 449-7358 (Nacos and Visone)
(980) 386-4161 (Strand)
Email: james.nacos@baml.com;
thomas.visone@baml.com;
jason.strand@bankofamerica.com

if to the Trustee:

Lord Securities Corporation
48 Wall Street
New York, New York 10005
Attention: Orlando Figueroa
Telephone: (212) 346-9007
Email: Orlando.Figueroa@lordspv.com

with a copy to:

Lord Securities Corporation
48 Wall Street
New York, New York 10005
Attention: Dewen Tarn
Telephone: (212) 346-9018
Email: dewen.tarn@lordspv.com

if to the Voting Consultant:

Institutional Shareholder Services Inc.
7 World Trade Center
250 Greenwich Street, 47th Floor
New York, New York 10007
Attention: Lorraine Kelly, Executive Director
Telephone: (212) 354-5443
Email: lorraine.kelly@issgovernance.com

with a copy to:

Institutional Shareholder Services Inc.
7 World Trade Center
250 Greenwich Street, 47th Floor
New York, New York 10007
Attention: General Counsel
Telephone: (212) 804-2930
Email: frederick.bogdan@msci.com

14. Modification

No modification of this Agreement shall be effective unless in writing and signed by all of the parties hereto. Without the prior written consent of the Fund (in its sole discretion), the Purchaser will not agree or consent to any amendment, supplement, modification or repeal of this Agreement, nor waive any provision hereof; *provided*, that in the case of any proposed amendment, supplement, modification or repeal of this Agreement which is a result of a change in law or regulation, the consent of the Fund shall not be unreasonably withheld or delayed.

15. Benefit and Burden

This Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their legatees, distributees, estates, executors or administrators, personal and legal representatives, successors and assigns.

16. Severability

The invalidity of any particular provision of this Agreement shall not affect the validity of the remainder hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

17. Headings

The section headings herein are for convenience of reference only, and shall not affect the construction, or limit or otherwise affect the meaning hereof.

18. Applicable Law

This Agreement shall be construed and enforced in accordance with and governed by the law of the State of New York.

THE PARTIES HERETO HEREBY SUBMIT TO THE EXCLUSIVE JURISDICTION OF FEDERAL AND NEW YORK STATE COURTS OF COMPETENT JURISDICTION LOCATED IN NEW YORK COUNTY, NEW YORK IN CONNECTION WITH ANY DISPUTE RELATED TO THIS AGREEMENT OR ANY MATTERS CONTEMPLATED HEREBY.

19. Waiver

THE PURCHASER, THE TRUSTEE AND THE VOTING CONSULTANT HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY OF THE PARTIES HERETO AGAINST THE OTHER(S) ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT.

20. Assignment

None of the parties hereto may assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other parties; *provided* that, without the consent of either the Trustee or the Voting Consultant, the Purchaser may assign its rights and obligations under this Agreement (i) to an Affiliate, (ii) to a successor entity following a consolidation, amalgamation with, or merger with or into or (iii) to a transferee that acquires all or substantially all of the Purchaser's assets. Any assignment other than in accordance with this section shall be void.

21. Conflicts with Other Documents

In the event that this Agreement requires any action to be taken with respect to any matter and the Master Agreement requires that a different action be taken with respect to such matter, and such actions are mutually exclusive, the provisions of this Agreement in respect thereof shall control.

22. Counterparts

This Agreement may be executed by the parties hereto in any number of separate counterparts, each of which shall be deemed to be an original, and all of which taken together shall be deemed to constitute one and the same instrument. Any counterpart or other signature delivered by facsimile or by electronic mail shall be deemed for all purposes as being a good and valid execution and delivery of this Agreement by that party.

[The rest of this page has been intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

BANC OF AMERICA PREFERRED FUNDING CORPORATION, as Purchaser

By: /s/ James Nacos
Name: James Nacos
Title: Authorized Signatory

LORD SECURITIES CORPORATION, as Trustee

By: /s/ Dewen Tam
Name: Dewen Tam
Title: Senior Vice President

INSTITUTIONAL SHAREHOLDER SERVICES INC., as Voting Consultant

By: /s/ Allen Heery
Name: Allen Heery
Title: CFO

VRDP SHARES PURCHASE AGREEMENT

dated as of

June 30, 2011

between

The Bank of New York Mellon,
as Tender and Paying Agent

and

BANK OF AMERICA, N.A.,
as Liquidity Provider

BLACKROCK MUNIHOLDINGS INVESTMENT QUALITY FUND
Series W-7
Variable Rate Demand Preferred Shares ("VRDP Shares")

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**VRDP SHARES
PURCHASE AGREEMENT**

VRDP SHARES PURCHASE AGREEMENT, dated as of June 30, 2011 between THE BANK OF NEW YORK MELLON, a New York banking corporation, including its successors and assigns, as tender and paying agent (the "**Tender and Paying Agent**") and BANK OF AMERICA, N.A., a national banking association, including its successors and assigns, as liquidity provider (the "**Liquidity Provider**").

WHEREAS, BlackRock MuniHoldings Investment Quality Fund, a closed-end investment company organized as a Massachusetts business trust (the "**Fund**"), has authorized the issuance to Holders (as defined below) of its Variable Rate Demand Preferred Shares, as set forth on Schedule I hereto, which are subject to this Agreement (the "**VRDP Shares**");

WHEREAS, the Fund wishes to enhance the liquidity of the VRDP Shares by providing for the right of Holders (as defined below) and Beneficial Owners (as defined below) to tender VRDP Shares pursuant to the Certificate of Designation (as defined below) and for the obligation of the Liquidity Provider to purchase VRDP Shares pursuant to the Purchase Obligation (as defined below);

WHEREAS, pursuant to the terms of the Tender and Paying Agent Agreement (as defined below), the Fund has retained the Tender and Paying Agent to perform certain duties with respect to the VRDP Shares, including entering into and performing its duties under this Agreement (as defined below);

WHEREAS, the original issuance and sale of the VRDP Shares by the Fund is conditioned upon, and subject to, the Purchase Obligation being in effect with respect to the VRDP Shares; and

WHEREAS, the Certificate of Designation provides that the Fund for the benefit of the Holders or Beneficial Owners of VRDP Shares, as the case may be, shall (i) maintain an agreement providing a Purchase Obligation on an ongoing basis to the extent that the Fund can do so on a commercially reasonable basis, and (ii) cause Holders and Beneficial Owners to receive advance notice of any termination of the Purchase Obligation.

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

**ARTICLE I
DEFINITIONS**

SECTION 1.01. Definitions.

The following terms, as used herein, have the following meanings:

"**1940 Act**" means the Investment Company Act of 1940, as amended.

"**Agent Member**" means a Person with an account at the Securities Depository that holds one or more VRDP Shares through the Securities Depository, directly or indirectly, for a Beneficial Owner and that will be authorized and instructed, directly or indirectly, by a Beneficial Owner to disclose information to the Remarketing Agent and the Tender and Paying Agent with respect to such Beneficial Owner.

"**Agreement**" means this VRDP Shares Purchase Agreement, as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms hereof.

"**Alternate VRDP Shares Purchase Agreement**" means any agreement with a successor liquidity provider replacing this Agreement (or any replacement hereof) upon its termination in accordance with its terms and containing a Purchase Obligation substantially similar to the Purchase Obligation herein, as determined by the Fund.

"**Available Commitment**" as of any day means, with respect to the VRDP Shares, the sum of the aggregate Liquidation Preference of the VRDP Shares then Outstanding plus all accumulated but unpaid dividends, whether or not earned or declared.

"**Beneficial Owner**" means a Person in whose name VRDP Shares are recorded as beneficial owner of such VRDP Shares by the Securities Depository, an Agent Member or other securities intermediary on the records of such Securities Depository, Agent Member or securities intermediary, as the case may be, or such Person's subrogee, including the Liquidity Provider to the extent it is at any time the Beneficial Owner of VRDP Shares (irrespective of any assignment or transfer by the Liquidity Provider of its voting rights).

"**Board**" means the Board of Directors of the Fund or any duly authorized committee thereof.

"**Business Day**" means a day (a) other than a day on which commercial banks in The City of New York, New York are required or authorized by law or executive order to close and (b) on which the New York Stock Exchange is not closed.

"**Certificate of Designation**" means the Certificate of Designation Establishing and Fixing the Rights and Preferences of the VRDP Shares.

"**Charter**" means the Declaration of Trust of the Fund, and all amendments thereto, as filed with the Secretary of the Commonwealth of Massachusetts.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Conditional Acceptance**" means a conditional acceptance by the Liquidity Provider of an extension of the Scheduled Termination Date.

"**Date of Original Issue**" with respect to the VRDP Shares, means the date on which the Fund initially issued such VRDP Shares.

"**Deposit Securities**" means, as of any date, any United States dollar-denominated security or other investment of a type described below that either (i) is a demand obligation payable to the holder thereof on any Business Day or (ii) has a maturity date, mandatory redemption date or mandatory payment date, on its face or at the option of the holder, preceding the relevant payment date in respect of which such security or other investment has been deposited or set aside as a Deposit Security:

(1) cash or any cash equivalent;

(2) any U.S. Government Security;

(3) any Municipal Obligation that has a credit rating from at least one (1) NRSRO that is the highest applicable rating generally ascribed by such NRSRO to Municipal Obligations with substantially similar terms as of the date of the Certificate of Designation (or such rating's future equivalent), including (A) any such Municipal Obligation that has been pre-refunded by the issuer thereof with the proceeds of such refunding having been irrevocably deposited in trust or escrow for the repayment thereof and (B) any such fixed or variable rate Municipal Obligation that qualifies as an eligible security under Rule 2a-7 under the 1940 Act;

(4) any investment in any money market fund registered under the 1940 Act that qualifies under Rule 2a-7 under the 1940 Act, or similar investment vehicle described in Rule 12d1-1(b)(2) under the 1940 Act, that invests principally in Municipal Obligations or U.S. Government Securities or any combination thereof; or

(5) any letter of credit from a bank or other financial institution that has a credit rating from at least one (1) NRSRO that is the highest applicable rating generally ascribed by such NRSRO to bank deposits or short-term debt of similar banks or other financial institutions as of the date of the Certificate of Designation (or such rating's future equivalent).

"**Dividend Payment Date**" except as otherwise provided in the Certificate of Designation, means the date that is the first (1st) Business Day of each calendar month.

"**Effective Date**" means the date of this Agreement.

"**Effective Leverage Ratio**" has the meaning set forth in the Fee Agreement.

"**Effective Leverage Ratio Cure Period**" has the meaning set forth in the Fee Agreement.

"**Electronic Means**" means email transmission, facsimile transmission or other similar electronic means of communication providing evidence of transmission (but excluding online communications systems covered by a separate agreement) acceptable to the sending party and the receiving party, in any case if operative as between any two (2) parties, or, if not operative, by telephone (promptly confirmed by any other method set forth in this definition), which, in the case of notices to the Tender and Paying Agent, shall be sent by such means as set forth in the Tender and Paying Agent Agreement or as specified in the related notice.

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended.

"**Extraordinary Corporate Event**" means as to the Liquidity Provider, (i) the consolidation, amalgamation with, or merger with or into or the transfer of all or substantially all of the Liquidity Provider's assets to another entity, or (ii) the dissolution, for any reason, of the Liquidity Provider other than in connection with the consolidation, amalgamation with, or merger with or into another entity or the transfer of all or substantially all of the Liquidity Provider's assets; provided, however, that with respect to (i) above, an Extraordinary Corporate Event does not include any of the listed occurrences where (x) the surviving entity, or transferee of all or substantially all of the Liquidity Provider's assets, (a) assumes all of the obligations of the Liquidity Provider under the terms of this Agreement and (b) has (i) short-term debt ratings in one of the two highest rating categories from the Requisite NRSROs or (ii) such other short-term debt ratings, if any, as may be required for the VRDP Shares to satisfy the eligibility criteria under Rule 2a-7 under the 1940 Act and (y) the Liquidity Provider has provided notice in writing to the Fund confirming the information described in (x) at least ten (10) days prior to the scheduled date of the applicable listed occurrence in (i) above.

"**Failed Remarketing Condition**" means a Failed Remarketing Condition—Purchased VRDP Shares or a Failed Remarketing Condition—Unpurchased VRDP Shares.

"**Failed Remarketing Condition—Purchased VRDP Shares**" means the Liquidity Provider acquires and continues to be the beneficial owner for federal income tax purposes of any VRDP Shares in connection with purchases made pursuant to the Purchase Obligation (whether as a result of an unsuccessful Remarketing or a Mandatory Purchase) on any Purchase Date including VRDP Shares that the Liquidity Provider continues to be the beneficial owner of for federal income tax purposes after the expiration or termination of this Agreement.

"**Failed Remarketing Condition—Purchased VRDP Shares Redemption**" means redemption by the Fund, at a redemption price equal to \$100,000 per share plus accumulated but unpaid dividends thereon (whether or not earned or declared) to, but excluding, the date fixed by the Board for redemption, of VRDP Shares that the Liquidity Provider shall have acquired pursuant to the Purchase Obligation and continued to be the beneficial owner of for federal income tax purposes for a continuous period of six (6) months during which such VRDP Shares are tendered for Remarketing on each Business Day in accordance with the Related Documents but cannot be successfully remarketed (i.e., a Failed Remarketing Condition—Purchased VRDP Shares shall have occurred and be continuing for such period of time with respect to such VRDP Shares), determined by the Fund on a first-in, first-out basis, in accordance with and subject to the provisions of the Fee Agreement and the Certificate of Designation.

"**Failed Remarketing Condition—Unpurchased VRDP Shares**" means that a Beneficial Owner (other than the Liquidity Provider or its affiliates) continues to hold VRDP Shares, that were subject to a Tender in accordance with this Agreement, after any Purchase Date as a result of the failure by the Liquidity Provider for any reason to purchase such VRDP Shares pursuant to the Purchase Obligation (whether as a result of an unsuccessful Remarketing or a Mandatory Purchase) ("Unpurchased VRDP Shares"), until such time as all Outstanding Unpurchased VRDP Shares are (i) successfully remarketed pursuant to a Remarketing, (ii) purchased by the Liquidity Provider pursuant to the Purchase Obligation, or (iii) if not successfully remarketed pursuant to a Remarketing or purchased by the Liquidity Provider pursuant to the Purchase Obligation, the subject of a validly tendered Notice of Revocation (or any combination of the foregoing); and any Unpurchased VRDP Shares shall be deemed tendered for Remarketing until the earliest to occur of the foregoing events (i), (ii) or (iii) with respect to such Unpurchased VRDP Shares.

"Fee Agreement" means the VRDP Shares Fee Agreement, dated as of June 30, 2011, between the Fund and the Liquidity Provider, as amended, modified or supplemented from time to time, or any similar agreement with a successor liquidity provider.

"Final Notice of Purchase" means, in connection with an Optional Tender or a Mandatory Tender, a Notice of Purchase delivered by the Tender and Paying Agent to the Liquidity Provider (or directly to the Liquidity Provider by Beneficial Owners or their Agent Members, in the case of an Optional Tender, or Holders, in the case of a Mandatory Tender, if there is no Tender and Paying Agent or for any reason the Tender and Paying Agent does not perform its obligations) on the Purchase Date indicating the number of VRDP Shares to be purchased on such date pursuant to the Purchase Obligation, or, in connection with a Mandatory Purchase, the Mandatory Purchase Notice delivered by the Fund or the Tender and Paying Agent on behalf of the Fund.

"Fitch" means Fitch Ratings, a part of the Fitch Group, which is a majority-owned subsidiary of Fimalac, S.A.

"Fund" has the meaning set forth in the recitals to this Agreement.

"Fund Insolvency Event" means that the Fund becomes a debtor under Title 11 of the United States Bankruptcy Code or becomes subject to insolvency or liquidation proceedings under any United States federal or state, or any other law.

"Global VRDP Shares" means the VRDP Shares issued in book-entry form, deposited with the Tender and Paying Agent on behalf of the Securities Depository and registered in the name of a nominee of the Securities Depository.

"Holder" means a Person in whose name a VRDP Share is registered in the registration books of the Fund maintained by the Tender and Paying Agent.

The word **"including"** means "including without limitation."

"Investment Adviser" means BlackRock Advisors, LLC, or any successor company or entity.

"Liquidation Preference" with respect to a given number of VRDP Shares, means \$100,000 times that number.

"Liquidity Provider" has the meaning set forth in the preamble to this Agreement.

"Liquidity Provider Ratings Event" means the Liquidity Provider shall fail to maintain at any time (i) short-term debt ratings in one of the two highest ratings categories from the Requisite NRSROs or (ii) such other short-term debt ratings, if any, as may be required for the VRDP Shares to satisfy the eligibility criteria under Rule 2a-7 under the 1940 Act.

"Liquidity Provider Ratings Event Termination Date" means the date established by the Tender and Paying Agent, acting upon instructions of the Fund pursuant to the Tender and Paying Agent Agreement, for termination of this Agreement upon the occurrence of a Liquidity Provider Ratings Event, which date shall be not less than sixteen (16) days nor more than thirty (30) days following such Liquidity Provider Ratings Event.

"Losses" has the meaning set forth in Section 2.02(o).

"Mandatory Purchase" means the mandatory purchase of Outstanding VRDP Shares by the Liquidity Provider pursuant to this Agreement in connection with a Mandatory Purchase Event.

"Mandatory Purchase Date" means the Purchase Date for a Mandatory Purchase in accordance with the Certificate of Designation and this Agreement.

"Mandatory Purchase Event" means, (i) in connection with the termination of this Agreement due to its expiration as of a Scheduled Termination Date, by the fifteenth (15th) day prior to any such Scheduled Termination Date, (a) the Liquidity Provider shall not have agreed to an extension or further extension of the Scheduled Termination Date to a date not earlier than 364 days from the Scheduled Termination Date of this Agreement then in effect, and (b) the Fund shall not have obtained and delivered to the Tender and Paying Agent an Alternate VRDP Shares Purchase Agreement with a termination date not earlier than 364 days from the Scheduled Termination Date of this Agreement being replaced, or (ii) in connection with the termination of this Agreement due to a Liquidity Provider Ratings Event or Related Party Termination Event, by the fifteenth (15th) day prior to the Liquidity Provider Ratings Event Termination Date or Related Party Termination Date, as the case may be, the Fund shall not have obtained and delivered to the Tender and Paying Agent an Alternate VRDP Shares Purchase Agreement with a termination date not earlier than 364 days from the Liquidity Provider Ratings Event Termination Date or Related Party Termination Date, as the case may be, of this Agreement being replaced. The Mandatory Purchase Event shall be deemed to occur on such fifteenth (15th) day prior to any Scheduled Termination Date, Liquidity Provider Ratings Event Termination Date or Related Party Termination Date, as the case may be.

"Mandatory Purchase Notice" means, in connection with the Mandatory Purchase of VRDP Shares, a notice substantially in the form attached to this Agreement as Exhibit B, delivered by the Fund or the Tender and Paying Agent on behalf of the Fund to the Holders and the Liquidity Provider specifying a Mandatory Purchase Date.

"Mandatory Tender," with respect to a Mandatory Tender Event, means the mandatory tender of all VRDP Shares by Holders for Remarketing or, in the event (i) no Remarketing occurs on or before the Purchase Date or (ii) pursuant to an attempted Remarketing, VRDP Shares remain unsold and the Remarketing Agent does not purchase for its own account the unsold VRDP Shares tendered to the Tender and Paying Agent for Remarketing (provided, that the Remarketing Agent may seek to sell such VRDP Shares in a subsequent Remarketing prior to the Purchase Date), for purchase by the Liquidity Provider at the Purchase Price pursuant to Section 2 of Part II of the Certificate of Designation and this Agreement.

"Mandatory Tender Event" means (a) each failure by the Fund to make a scheduled payment of dividends on a Dividend Payment Date; (b) the occurrence of a Liquidity Provider Ratings Event (which shall constitute a single Mandatory Tender Event upon the occurrence of such Liquidity Provider Ratings Event, whether or not continuing and whether or not such Liquidity Provider Ratings Event also results in a Mandatory Purchase Event; provided that, following restoration of the short-term debt ratings to the requisite level, a subsequent Liquidity Provider Ratings Event shall constitute a new Mandatory Tender Event); (c) in the event of a failure by the Fund to pay the Liquidity Provider the applicable fee when due under the terms of the Fee Agreement if the Liquidity Provider (in its sole discretion) thereafter provides written notice to the Fund that such failure to pay such fee constitutes a Mandatory Tender Event; (d) the eighth (8th) day prior to the scheduled date of the occurrence of an Extraordinary Corporate Event; (e) the Fund shall have obtained and delivered to the Tender and Paying Agent an Alternate VRDP Shares Purchase Agreement by the fifteenth (15th) day prior to the Scheduled Termination Date, Liquidity Provider Ratings Event Termination Date or Related Party Termination Date, as the case may be, of this Agreement being replaced; (f) the Fund shall have provided a Notice of Proposed Special Rate Period in accordance with the Certificate of Designation; or (g) in the event of a breach by the Fund of its Effective Leverage Ratio covenant with the Liquidity Provider in the Fee Agreement and the failure to cure such breach within sixty (60) days from the date of such breach (which 60-day period would include the Effective Leverage Ratio Cure Period), if the Liquidity Provider (in its sole discretion) thereafter provides written notice to the Fund and the Tender and Paying Agent that the failure to timely cure such breach constitutes a Mandatory Tender Event (subject to the Fund curing such breach prior to the delivery date of such notice from the Liquidity Provider).

"Mandatory Tender Notice" means, in connection with the Mandatory Tender of VRDP Shares, a notice, substantially in the form attached to the VRDP Shares Remarketing Agreement as Annex II, delivered by the Fund or the Tender and Paying Agent on behalf of the Fund to the Holders and the Liquidity Provider specifying a Mandatory Tender Event and Purchase Date.

"**Moody's**" means Moody's Investors Service, Inc., a Delaware corporation, and its successors.

"**Municipal Obligations**" means Municipal Bonds as described in the Offering Memorandum.

"**Notice of Purchase**" means, as the context requires, a Preliminary Notice of Purchase or a Final Notice of Purchase, in each case, substantially in the form of Exhibit A hereto.

"**Notice of Redemption**" means any notice with respect to the redemption of VRDP Shares pursuant to the Certificate of Designation.

"**Notice of Revocation**" means, in connection with the revocation by a Beneficial Owner or its Agent Member of its Notice of Tender, a notice, substantially in the form attached to this Agreement as Exhibit D and the Tender and Paying Agent Agreement as Exhibit C, delivered by a Beneficial Owner or its Agent Member to the Tender and Paying Agent indicating an intention to revoke the tender of some or all of the VRDP Shares for sale on a Purchase Date pursuant to Section 1 of Part II of the Certificate of Designation.

"**Notice of Tender**" means, in connection with an Optional Tender, a notice, substantially in the form attached to this Agreement as Exhibit C and the Tender and Paying Agent Agreement as Exhibit A, delivered by a Beneficial Owner or its Agent Member to the Tender and Paying Agent indicating an intention to tender VRDP Shares for sale on a Purchase Date pursuant to the Certificate of Designation.

"**NRSRO**" means a "nationally recognized statistical rating organization" within the meaning of Section 3(a)(62) of the Exchange Act, that is not an "affiliated person" (as defined in Section 2(a)(3) of the 1940 Act) of the Fund or the Liquidity Provider, including, at the date hereof, Moody's and Fitch.

"**Offering Memorandum**" means the Offering Memorandum of the Fund relating to the offering and sale of the VRDP Shares, dated June 29, 2011 as amended, revised or supplemented from time to time, including in connection with any Remarketing, if applicable.

"**Optional Tender**" means any tender of VRDP Shares by a Beneficial Owner or its Agent Member to the Tender and Paying Agent, other than a Mandatory Tender, for Remarketing or, in the event (i) no Remarketing occurs on or before the Purchase Date, or (ii) pursuant to an attempted Remarketing, VRDP Shares remain unsold and the Remarketing Agent does not purchase for its own account the unsold VRDP Shares tendered to the Tender and Paying Agent for Remarketing (provided that the Remarketing Agent may seek to sell such VRDP Shares in a subsequent Remarketing prior to the Purchase Date), for purchase by the Liquidity Provider pursuant to Section 2 of Part II of the Certificate of Designation and this Agreement.

"**Outstanding**" means, as of any date with respect to the VRDP Shares, the number of VRDP Shares theretofore issued by the Fund except, without duplication, (i) any VRDP Shares theretofore cancelled or delivered to the Tender and Paying Agent for cancellation or redemption by the Fund, (ii) any VRDP Shares with respect to which the Fund has given a Notice of Redemption and irrevocably deposited with the Tender and Paying Agent sufficient Deposit Securities to redeem such VRDP Shares, pursuant to Section 10 of Part I of the Certificate of Designation, (iii) any VRDP Shares as to which the Fund shall be a Beneficial Owner, and (iv) any VRDP Shares represented by any certificate in lieu of which a new certificate has been executed and delivered by the Fund; provided, however, with respect to clause (ii), any such VRDP Shares will be deemed to be Outstanding for purposes of this Agreement until redeemed by the Fund.

"**Person**" means and includes an individual, a partnership, a corporation, a trust, an unincorporated association, a joint venture or other entity or a government or any agency or political subdivision thereof.

"**Placement Agent**" means BlackRock Investments, LLC.

"Placement Agreement" means the placement agreement, dated as of June 28, 2011, between the Fund and the Placement Agent with respect to the offering and sale of the VRDP Shares.

"Preliminary Notice of Purchase" means a Notice of Purchase delivered by the Tender and Paying Agent to the Liquidity Provider (or directly to the Liquidity Provider by Beneficial Owners or their Agent Members if there is no Tender and Paying Agent or for any reason the Tender and Paying Agent does not perform its obligations) on the Business Day immediately preceding a Purchase Date indicating the number of shares of VRDP Shares to be purchased on the Purchase Date pursuant to the Purchase Obligation.

"Purchase Date," with respect to any purchase of VRDP Shares, means (i) in connection with an Optional Tender, the date specified in a Notice of Tender, which date shall be no earlier than the seventh (7th) day (or, if such day is not a Business Day, the next succeeding Business Day) following delivery to the Tender and Paying Agent of the Notice of Tender, (ii) in connection with a Mandatory Tender, the date specified in the Mandatory Tender Notice (or, if such day is not a Business Day, the next succeeding Business Day), subject to the immediately succeeding sentence below, or (iii) in connection with a Mandatory Purchase, the Mandatory Purchase Date specified in the Mandatory Purchase Notice (or, if such day is not a Business Day, the next succeeding Business Day). The Purchase Date in respect of a Mandatory Tender Event shall be not later than seven (7) days following the date a Mandatory Tender Notice is sent to Holders by Electronic Means; provided, that: (A) the Purchase Date in connection with the failure of the Fund to pay the applicable fee to the Liquidity Provider may not be later than the last Business Day of the month such payment was due; (B) the Purchase Date in connection with the occurrence of an Extraordinary Corporate Event may not be later than the Business Day immediately preceding the occurrence of the Extraordinary Corporate Event (and, if no earlier Purchase Date is specified in a Mandatory Tender Notice with respect to such Extraordinary Corporate Event, the Business Day immediately preceding the occurrence of the Extraordinary Corporate Event shall be deemed to be the Purchase Date irrespective of the failure to have given or sent a Mandatory Tender Notice); (C) the Purchase Date in connection with the Fund obtaining an Alternate VRDP Shares Purchase Agreement may not be later than the Business Day immediately preceding the termination of this Agreement and the effective date of such Alternate VRDP Shares Purchase Agreement (which may not be later than the termination date of this Agreement); and (D) the Purchase Date in connection with a Notice of Proposed Special Rate Period may not be later than the first (1st) day of such proposed Special Rate Period.

"Purchase Obligation" means the unconditional and irrevocable obligation of the Liquidity Provider during the term and pursuant to the terms of this Agreement to purchase Outstanding VRDP Shares on any Purchase Date at the Purchase Price from Beneficial Owners, in the case of any Optional Tender, and Holders, in the case of any Mandatory Tender or any Mandatory Purchase, in each case following delivery of a Final Notice of Purchase with respect to such VRDP Shares.

"Purchase Price" means an amount equal to the Liquidation Preference of any VRDP Shares to be purchased on a Purchase Date, plus any accumulated but unpaid dividends thereon (whether or not earned or declared), if any, to but excluding, the relevant Purchase Date.

"Purchased VRDP Shares" means all VRDP Shares purchased by the Liquidity Provider pursuant to Article II of this Agreement, so long as the Liquidity Provider continues to be the beneficial owner for federal income tax purposes of such VRDP Shares.

"Related Documents" means this Agreement, the Charter, the Certificate of Designation, the VRDP Shares, the Placement Agreement, the VRDP Shares Remarketing Agreement, the Fee Agreement and the Tender and Paying Agent Agreement.

"Related Party" means a related party for purposes of Section 267(b) or Section 707(b) of the Code, as such provisions may be amended from time to time.

"Related Party Termination Date" means the effective date of the termination of this Agreement in accordance with its terms following the occurrence of a Related Party Termination Event.

"Related Party Termination Event" means the Liquidity Provider becoming a Related Party of the Fund other than through the acquisition of VRDP Shares pursuant to the terms of this Agreement.

"Remarketing" means the remarketing of VRDP Shares by the Remarketing Agent on behalf of the Beneficial Owners thereof pursuant to an Optional Tender or on behalf of the Holders thereof pursuant to a Mandatory Tender, as provided in the VRDP Shares Remarketing Agreement and the Certificate of Designation.

"Remarketing Agent" means, with respect to the VRDP Shares, the Person or Persons designated as Remarketing Agent for the VRDP Shares with the prior written consent of the Liquidity Provider (which consent shall not be unreasonably withheld), initially as set forth in Schedule I hereto, and its or their permitted successors and assigns. The Liquidity Provider's execution of this Agreement shall constitute its consent to the designation of the Remarketing Agent set forth in Schedule I.

"Remarketing Notice" has the meaning set forth in Section 2.02(h).

"Requisite NRSROs" means (i) any two (2) NRSROs that have issued a rating with respect to a security or class of debt obligations of an issuer; or (ii) if only one (1) NRSRO has issued a rating with respect to such security or class of debt obligations of an issuer at the time a purchaser Acquires (as such term is defined from time to time in Rule 2a-7 under the 1940 Act) the security, that NRSRO.

"Scheduled Termination Date" means the date that is 364 days from (and including) the Effective Date, or any succeeding date to which the term of this Agreement is extended pursuant to Section 2.03.

"SEC" means the Securities and Exchange Commission.

"Securities Depository" means The Depository Trust Company, New York, New York, and any substitute for or successor to such securities depository that shall maintain a book-entry system with respect to the VRDP Shares.

"Special Optional Tender Provisions" has the meaning set forth in Section 2.02(e).

"Special Rate Period" with respect to the VRDP Shares, has the meaning specified in paragraph (a) of Section 4 of Part I of the Certificate of Designation.

"Tender" means either an Optional Tender or a Mandatory Tender, as applicable.

"Tender and Paying Agent" means The Bank of New York Mellon or, with the prior written consent of the Liquidity Provider (which consent shall not be unreasonably withheld), any successor Person, which has entered into an agreement with the Fund to act in such capacity as the Fund's tender agent, transfer agent, registrar, dividend disbursing agent, paying agent, redemption price disbursing agent and calculation agent in connection with the payment of regularly scheduled dividends with respect to VRDP Shares.

"Tender and Paying Agent Agreement" means the tender and paying agent agreement, dated as of June 30, 2011, between the Fund and the Tender and Paying Agent, as amended, modified or supplemented from time to time, or any similar agreement with a successor tender and paying agent.

"Termination Event" means a termination of this Agreement (a) on a Scheduled Termination Date, as such date may be extended pursuant to the terms hereof, (b) following written notice provided by the Tender and Paying Agent pursuant to Section 7.06(b) hereof following the occurrence of a Liquidity Provider Ratings Event at any time during the term hereof or (c) on a Related Party Termination Date.

"U.S. Government Securities" means direct obligations of the United States or of its agencies or instrumentalities that are entitled to the full faith and credit of the United States and that, other than United States Treasury Bills, provide for the periodic payment of interest and the full payment of principal at maturity or call for redemption.

"VRDP Shares" has the meaning set forth in the recitals to this Agreement.

"VRDP Shares Remarketing Agreement" means the VRDP Shares remarketing agreement, dated as of June 30, 2011, between the Fund and the Remarketing Agent, as amended, modified or supplemented from time to time.

"written" or "in writing" means any form of written communication, including communication by means of telex, telecopier or electronic mail.

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 (including by incorporation by reference) in the Certificate of Designation. Any day not referred to herein as a Business Day shall mean a calendar day.

ARTICLE II PURCHASE OBLIGATION

SECTION 2.01. Commitment to Purchase VRDP Shares.

(a) The Liquidity Provider agrees, commencing on the Effective Date of this Agreement, to purchase at the Purchase Price any Outstanding VRDP Shares that are properly tendered in accordance with the Certificate of Designation and this Agreement, including, without limitation to any other provision of this Agreement, on the Purchase Date for a Mandatory Tender in connection with the Fund obtaining an Alternate VRDP Shares Purchase Agreement and the Purchase Date for a Mandatory Purchase Event. The Liquidity Provider agrees that in no event shall amounts paid by it in respect of the Purchase Price be paid from funds or property of the Fund, including, without limitation, any funds derived from funds that the Fund may have on deposit with the Liquidity Provider. The obligation of the Liquidity Provider to purchase VRDP Shares pursuant to this Agreement shall run to the benefit of those beneficiaries identified in Section 7.10 and shall be unconditional and irrevocable in accordance with the provisions hereof, without regard to, without limitation, any failure of the representations, warranties, agreements or performance of the Tender and Paying Agent set forth herein or of the Fund set forth in the Fee Agreement or the termination of the obligations of the Remarketing Agent under Section 10 of the VRDP Shares Remarketing Agreement.

(b) The obligation of the Liquidity Provider hereunder to purchase VRDP Shares of any Holder or Beneficial Owner on any Purchase Date shall be unconditional upon delivery to the Liquidity Provider of a written Final Notice of Purchase from the Tender and Paying Agent by Electronic Means or, if there is no Tender and Paying Agent or for any reason the Tender and Paying Agent does not perform its obligations hereunder, from any Holder or Beneficial Owner, with respect to an election by one or more Beneficial Owners to submit such VRDP Shares for purchase by the Liquidity Provider (subject to Section 2.02(k)); provided that, in the case of a Mandatory Purchase, the Final Notice of Purchase shall automatically be deemed given upon the Mandatory Purchase Notice being delivered to the Liquidity Provider in accordance herewith.

(c) In the case of an Optional Tender or a Mandatory Tender, the Liquidity Provider shall be obligated to purchase only those VRDP Shares subject to a Final Notice of Purchase. In the case of a Mandatory Purchase, the Liquidity Provider shall be obligated to purchase all Outstanding VRDP Shares.

SECTION 2.02. Method of Purchasing.

(a) Pursuant to an Optional Tender, Beneficial Owners may elect to tender their VRDP Shares (in one or more shares) for purchase at the Purchase Price on the Purchase Date designated in the Notice of Tender (or if such day is not a Business Day, on the next succeeding Business Day) by an effective delivery of a Notice of Tender to the Tender and Paying Agent. Each Notice of Tender will be irrevocable (except as described below) and effective upon receipt by the Tender and Paying Agent and shall:

- (i) be delivered by a Beneficial Owner, directly or through its Agent Member, by email transmission (or if email transmission shall be unavailable, by facsimile transmission), to the Tender and Paying Agent not later than 2:00 p.m., New York City time, on any Business Day, with a copy to the Remarketing Agent;
- (ii) state the series and the aggregate number of VRDP Shares to be purchased, the CUSIP number of the VRDP Shares to be purchased and the Purchase Date and be in substantially the form of and contain such other information specified in Exhibit C to this Agreement; and
- (iii) state that the tendering Beneficial Owner acknowledges that such Beneficial Owner is required to deliver the VRDP Shares that are the subject of a Notice of Tender (that has not been duly revoked as described below) on or before 2:00 p.m., New York City time, on the Purchase Date.
- (b) Upon receipt of a Notice of Tender, the Tender and Paying Agent shall provide a copy of such notice to the Liquidity Provider and the Remarketing Agent (with a copy to the Fund) as promptly as practicable by Electronic Means, but no later than 4:00 p.m., New York City time, on the date of receipt or deemed receipt. Any Notice of Tender that is delivered to the Tender and Paying Agent by a Beneficial Owner or its Agent Member after 2:00 p.m., New York City time, shall be deemed to have been received by the Tender and Paying Agent on the next succeeding Business Day, and the Purchase Date shall be adjusted such that the Purchase Date shall be the Business Day next succeeding the date specified as the Purchase Date in the Notice of Tender. Anything herein or in any other Related Document to the contrary notwithstanding, any failure by a Beneficial Owner or its Agent Member to deliver a copy of the Notice of Tender to the Remarketing Agent or any defect in the copy of the Notice of Tender to the Remarketing Agent will have no effect on the effectiveness of a Notice of Tender properly delivered to the Tender and Paying Agent. The Tender and Paying Agent's determination as to whether a Notice of Tender has been properly delivered shall be conclusive and binding on a Beneficial Owner and its Agent Member.
- (c) VRDP Shares are subject to Mandatory Tender upon the occurrence of a Mandatory Tender Event. So long as the VRDP Shares are in book-entry form and held through the Securities Depository, any Mandatory Tender will be effected automatically through the book entry system of the Securities Depository, without any action required on the part of the Holders or Beneficial Owners.
- (i) Promptly following the occurrence of a Mandatory Tender Event, and in any event within three (3) Business Days thereafter, the Fund, or the Tender and Paying Agent at the direction of the Fund (provided, that the Tender and Paying Agent may require up to two (2) Business Days prior notification by Electronic Means by the Fund), shall provide a Mandatory Tender Notice by Electronic Means to Holders, the Remarketing Agent and the Liquidity Provider, specifying a Purchase Date for all Outstanding VRDP Shares. Any notice given in respect of a Mandatory Tender under the Certificate of Designation shall be conclusively presumed to have been duly given, whether or not the Holders receive such notice.
- (ii) Upon the occurrence of a Mandatory Tender Event, all Outstanding VRDP Shares automatically shall be subject to Mandatory Tender and delivered to the Tender and Paying Agent for purchase on the designated Purchase Date by purchasers in the Remarketing in the event of a successful Remarketing or otherwise by the Liquidity Provider, including any VRDP Shares previously tendered pursuant to an Optional Tender for which the Purchase Date has not yet occurred. In the event that VRDP Shares are issued in certificated form and a Holder of VRDP Shares fails to deliver such VRDP Shares to which a Mandatory Tender relates on or prior to the Purchase Date, the Holder of such VRDP Shares shall not be entitled to any payment (including any accumulated but unpaid dividends thereon, whether or not earned or declared) other than the Purchase Price of such undelivered VRDP Shares as of the scheduled Purchase Date. Any such undelivered VRDP Shares shall be deemed to be delivered to the Tender and Paying Agent, and the Tender and Paying Agent shall place stop-transfer orders against the undelivered VRDP Shares. Any moneys held by the Tender and Paying Agent for the purchase of undelivered VRDP Shares shall be held in a separate account by the Tender and Paying Agent, shall not be invested, and shall be held for the exclusive benefit of the Holder of such undelivered VRDP Shares. The undelivered VRDP Shares shall be deemed to be no longer Outstanding (except as to entitlement to payment of the Purchase Price), and the Fund shall issue to the purchaser a replacement VRDP Shares certificate in lieu of such undelivered VRDP Shares.

(d) A Beneficial Owner or its Agent Member that delivered a Notice of Tender in connection with an Optional Tender may deliver in writing by email transmission (or if email transmission shall be unavailable, by facsimile transmission) to the Tender and Paying Agent, not later than 10:00 a.m., New York City time, on or prior to the Business Day immediately preceding the Purchase Date, a Notice of Revocation, a form of which is attached hereto as Exhibit D, to the effect that such Beneficial Owner wishes to revoke its election to tender some or all of the VRDP Shares that were specified in such Notice of Tender to be purchased. Any Notice of Revocation delivered to the Tender and Paying Agent shall be promptly delivered by Electronic Means by the Tender and Paying Agent to the Liquidity Provider and the Remarketing Agent (with a copy to the Fund) by 12:00 noon, New York City time, on the Business Day immediately preceding the relevant Purchase Date. The Remarketing Agent (following receipt of such Notice of Revocation) shall notify the Tender and Paying Agent and the Liquidity Provider of the number of VRDP Shares specified in such Notice of Revocation that are subject to an agreement of sale pursuant to a Remarketing by Electronic Means not later than 2:00 p.m., New York City time, on the Business Day immediately preceding the Purchase Date. The Tender and Paying Agent shall contact the Remarketing Agent by Electronic Means by 1:45 p.m., New York City time, if such notification has not been received by such time. The Tender and Paying Agent shall deliver such notification to the Beneficial Owner or its Agent Member promptly following receipt from the Remarketing Agent, and in any event by 4:00 p.m., New York City time, on the Business Day immediately preceding the Purchase Date. Any such Notice of Revocation shall be effective (without further action on the part of the Beneficial Owner or its Agent Member) as a revocation of the Optional Tender of the number of VRDP Shares specified therein as being sought to be revoked, but (except as set forth below) only if and to the extent that the Remarketing Agent has not entered into an agreement to sell such VRDP Shares. A Notice of Revocation shall be effective as to the number of VRDP Shares specified therein as having been revoked less the number of such VRDP Shares in respect of which the Remarketing Agent has so notified the Tender and Paying Agent and the Liquidity Provider that it has entered into an agreement of sale. Notwithstanding the foregoing, tendered VRDP Shares, if any, that remain unsold on the related Purchase Date shall be allocated by the Remarketing Agent to each Notice of Revocation received in respect of VRDP Shares tendered for purchase on such Purchase Date and not already satisfied in the chronological order in which each such Notice of Revocation was received by the Tender and Paying Agent, and each such Notice of Revocation shall be effective only to the extent of such allocation and availability of unsold VRDP Shares.

(e) In connection with any Special Rate Period designated pursuant to the Certificate of Designation, the Board, without the vote or consent of any Holder of VRDP Shares but with prior written consent of the Liquidity Provider, in the Notice of Special Rate Period relating to the VRDP Shares, as delivered to the Remarketing Agent and the Liquidity Provider, may provide for optional tender provisions relating solely to such Special Rate Period ("**Special Optional Tender Provisions**") whereby the minimum number of days' notice required for an Optional Tender may exceed seven (7) days as specified in the Special Optional Tender Provisions for such Special Rate Period.

(f) The Fund shall use its best efforts to engage at all times a Remarketing Agent that is a nationally recognized securities dealer with experience in remarketing variable-rate securities whose appointment has been consented to in writing by the Liquidity Provider (which consent shall not be unreasonably withheld) to use its best efforts to find purchasers for all VRDP Shares properly tendered pursuant to a Tender. All such VRDP Shares shall be remarketed at the Purchase Price of such VRDP Shares.

(g) In connection with any attempted Remarketing, all tendered VRDP Shares shall be remarketed at the Purchase Price of such VRDP Shares. The calculation of the Purchase Price of the VRDP Shares that are remarketed or purchased by the Liquidity Provider shall be made by the Remarketing Agent in advance of such Remarketing or purchase and, together with the details of the aggregate number and Purchase Price of remarketed VRDP Shares and the aggregate number and Purchase Price of VRDP Shares to be purchased by the Liquidity Provider pursuant to the Purchase Obligation, shall be communicated by the Remarketing Agent to the Fund, the Liquidity Provider and the Tender and Paying Agent by Electronic Means by 2:00 p.m., New York City time, on the Business Day immediately preceding the Purchase Date, as described below. The proceeds of any sale of any remarketed VRDP Shares by the Remarketing Agent relating to tendered VRDP Shares will be used by the Tender and Paying Agent for the purchase of the tendered VRDP Shares at the Purchase Price, and the terms of the sale will provide for the wire transfer of such Purchase Price by the Remarketing Agent to be received by the Tender and Paying Agent no later than 11:00 a.m., New York City time, on the related Purchase Date for payment to the Agent Member of the Beneficial Owner, in the case of an Optional Tender, or Holder, in the case of a Mandatory Tender, tendering VRDP Shares for sale through the Securities Depository in immediately available funds against delivery of the tendered VRDP Shares to the Tender and Paying Agent through the Securities Depository, the delivery of such VRDP Shares to the Tender and Paying Agent through the Securities Depository no later than 2:00 p.m., New York City time, on the related Purchase Date, and the re-delivery of such VRDP Shares by means of "FREE" delivery through the Securities Depository to the Remarketing Agent for delivery to the purchaser's Agent Member through the Securities Depository by 3:00 p.m., New York City time, on the related Purchase Date.

(h) By 2:00 p.m., New York City time, on the Business Day immediately preceding each Purchase Date, the Remarketing Agent shall deliver a notice to the Tender and Paying Agent and the Liquidity Provider (a "Remarketing Notice"), by Electronic Means, that sets forth the number of VRDP Shares, if any, that it successfully remarketed for purchase on such Purchase Date and the aggregate Purchase Price of such sold VRDP Shares and the number of VRDP Shares, if any, not successfully remarketed for purchase on such Purchase Date and the aggregate Purchase Price of such unsold VRDP Shares to be paid by the Liquidity Provider. If the Remarketing Notice states that the Remarketing Agent has not successfully remarketed all of the VRDP Shares to be purchased on such Purchase Date, the Tender and Paying Agent shall promptly, and in any event not later than 4:00 p.m., New York City time, on such Business Day, deliver by Electronic Means to the Liquidity Provider (with a copy to the Fund) a Preliminary Notice of Purchase that, subject to delivery of the Final Notice of Purchase on the Purchase Date described below, provides for the purchase by the Liquidity Provider of the number of such VRDP Shares that the Remarketing Agent stated in the Remarketing Notice as not having been successfully remarketed, including the aggregate Purchase Price of such VRDP Shares, as calculated by the Remarketing Agent. If the Remarketing Notice states that the Remarketing Agent has not successfully remarketed all of the VRDP Shares to be purchased on such Purchase Date (or if proceeds from a Remarketing for any tendered VRDP Shares have not been received for any reason by the Tender and Paying Agent by 11:00 a.m., New York City time, on the Purchase Date), the Tender and Paying Agent shall deliver by Electronic Means to the Liquidity Provider (with a copy to the Fund) by 12:00 noon, New York City time, on such Purchase Date a Final Notice of Purchase that states the number of VRDP Shares required to be purchased by the Liquidity Provider. For purposes of the Final Notice of Purchase, any tendered VRDP Shares for which remarketing proceeds have not been received for any reason by the Tender and Paying Agent by 11:00 a.m., New York City time, on the Purchase Date (other than VRDP Shares owned by the Remarketing Agent and tendered for Remarketing), shall be treated as not having been successfully remarketed and shall be required to be purchased by the Liquidity Provider. The payment obligation of the Liquidity Provider shall equal the Purchase Price of the VRDP Shares, stated in the Final Notice of Purchase delivered to the Liquidity Provider, as being required to be purchased by the Liquidity Provider.

(i) The Liquidity Provider shall, no later than 2:00 p.m., New York City time, on a Purchase Date for any VRDP Shares, wire transfer the aggregate Purchase Price of all VRDP Shares in respect of which Final Notices of Purchase have been delivered to it for purchase of VRDP Shares on such date, as follows: (i) in the case of a Final Notice of Purchase delivered by the Tender and Paying Agent, by wire transfer, in immediately available funds, to the account of the Tender and Paying Agent specified by the Tender and Paying Agent in any such Final Notice of Purchase; and (ii) in the event there is no Tender and Paying Agent or for any reason the Tender and Paying Agent does not perform its obligations under this Agreement and the Liquidity Provider has received a Remarketing Notice that such VRDP Shares have not been the subject of an agreement of sale in a Remarketing and has received written notice from the Fund that there is no Tender and Paying Agent or that the Tender and Paying Agent does not intend to perform its obligations hereunder, in the case of a Final Notice of Purchase delivered by a Beneficial Owner or its Agent Member, in the case of an Optional Tender, or by a Holder, in the case of a Mandatory Tender, by payment against delivery of the VRDP Shares that are the subject of any such Final Notice of Purchase, through means of the Securities Depository in the case of Global VRDP Shares. The Fund is required pursuant to the Certificate of Designation, in the event there is no Tender and Paying Agent or for any reason the Tender and Paying Agent does not perform its obligations under this Agreement, to (i) upon becoming aware thereof, promptly notify the Liquidity Provider, the Remarketing Agent and Holders by Electronic Means of such event, and (ii) so long as such event is continuing, use its best efforts to direct and request the Remarketing Agent to forward, concurrently with the delivery thereof to the Liquidity Provider or as promptly as practicable thereafter, any Remarketing Notice to each Beneficial Owner or Holder tendering VRDP Shares that are the subject of such notices.

(j) Upon receipt by the Tender and Paying Agent from the Beneficial Owner or its Agent Member, in the case of an Optional Tender, or by the Holder, in the case of a Mandatory Tender, of tendered VRDP Shares and the payment by the Tender and Paying Agent to such Beneficial Owner or its Agent Member, or such Holder as the case may be, of the Purchase Price therefor on the applicable Purchase Date, the Tender and Paying Agent shall deliver to the Liquidity Provider, by means of "FREE" delivery through the system of the Securities Depository, VRDP Shares in satisfaction of the Liquidity Provider's Purchase Obligation on such Purchase Date. Any funds paid by the Liquidity Provider and held in the account of the Tender and Paying Agent for the payment of the Purchase Price shall be held in trust (i) in the case of an Optional Tender, on the Purchase Date, for the benefit of the tendering Beneficial Owners or their Agent Members until the VRDP Shares are delivered by the tendering Beneficial Owners or their Agent Members and, after the Purchase Date, in trust for the benefit of the Liquidity Provider, for payment of the Purchase Price upon delivery of the VRDP Shares or, with respect to VRDP Shares that are not delivered, for return to the Liquidity Provider upon its request and (ii) in the case of a Mandatory Tender, for the benefit of the tendering Holders until delivery of the VRDP Shares by the tendering Holders against payment therefor. Any funds paid by the Remarketing Agent and held in an account of the Tender and Paying Agent for the payment of the Purchase Price in connection with a Remarketing shall be held in trust (i) in the case of an Optional Tender, on the Purchase Date, for the benefit of the tendering Beneficial Owners or their Agent Members until the VRDP Shares are delivered by the tendering Beneficial Owners or their Agent Members and, after the Purchase Date, in trust for the benefit of the Remarketing Agent on account of purchasers purchasing in a Remarketing or for the Remarketing Agent's account to the extent it has advanced the Purchase Price of any VRDP Shares (which it may or may not do in its sole discretion) on behalf of one or more purchasers, as applicable, for payment of the Purchase Price upon delivery of the VRDP Shares or, with respect to VRDP Shares that are not delivered, for return to the Remarketing Agent on account of purchasers purchasing in a Remarketing or for the Remarketing Agent's account to the extent it has advanced the Purchase Price of any VRDP Shares (which it may or may not do in its sole discretion) on behalf of one or more purchasers, as applicable, upon the Remarketing Agent's request and (ii) in the case of a Mandatory Tender, for the benefit of the tendering Holders until delivery of the VRDP Shares by the tendering Holders against payment therefor. Upon receipt of VRDP Shares from the tendering Beneficial Owners or their Agent Members, in the case of an Optional Tender, or from the tendering Holders, in the case of a Mandatory Tender, by the Tender and Paying Agent, the Tender and Paying Agent shall pay, subject to receipt of the Purchase Price by the Tender and Paying Agent in the form of remarketing proceeds from the Remarketing Agent, with respect to VRDP Shares remarketed by the Remarketing Agent, or in the form of payment pursuant to this Agreement from the Liquidity Provider, with respect to the VRDP Shares subject to purchase pursuant to the Purchase Obligation, the Purchase Price for such VRDP Shares to such tendering Beneficial Owner, Agent Member or Holder, as the case may be. In accordance with and subject to the foregoing, the Tender and Paying Agent shall effect any such payment on the applicable Purchase Date.

(k) Except as otherwise expressly provided for herein, the purchase and delivery of tendered Global VRDP Shares and their Remarketing will be accomplished in accordance with the applicable procedures of the Securities Depository.

(l) In the event of a Failed Remarketing Condition, of which the Tender and Paying Agent has received notice labeled "Notice of Failed Remarketing Condition" by Electronic Means from the Fund, the Tender and Paying Agent shall provide notice of such Failed Remarketing Condition within two (2) Business Days of receipt by the Tender and Paying Agent of such notice of such Failed Remarketing Condition, by Electronic Means (or by first class mail, postage prepaid, in the case where the VRDP Shares are in physical form), to the Holders (with a copy to the Fund).

(m) At any time that no Purchase Obligation is in effect, any VRDP Shares unsold in a Remarketing shall be returned to the tendering Beneficial Owners or their Agent Members, or the tendering Holders, as the case may be, by the Tender and Paying Agent.

(n) VRDP Shares are subject to Mandatory Purchase by the Liquidity Provider upon the occurrence of a Mandatory Purchase Event. Promptly following the occurrence of a Mandatory Purchase Event, and in any event within three (3) Business Days thereafter, the Fund, or the Tender and Paying Agent at the direction of the Fund (provided, that the Tender and Paying Agent may require up to two (2) Business Days prior notification by Electronic Means by the Fund), shall provide a Mandatory Purchase Notice by Electronic Means to Holders and the Liquidity Provider, specifying a Mandatory Purchase Date for all Outstanding VRDP Shares. The Mandatory Purchase Date shall not be later than seven (7) days following the date a Mandatory Purchase Notice is sent to Holders by Electronic Means, and in any event shall be not later than the Business Day immediately preceding the termination of this Agreement. Any notice given in respect of a Mandatory Purchase under the Certificate of Designation shall be conclusively presumed to have been duly given, whether or not the Holders receive such notice. Upon the occurrence of a Mandatory Purchase Event, all Outstanding VRDP Shares automatically shall be subject to Mandatory Purchase by the Liquidity Provider at the Purchase Price on the Mandatory Purchase Date, including any VRDP Shares tendered pursuant to an Optional Tender or Mandatory Tender for which the Purchase Date has not yet occurred. In the event that VRDP Shares are issued in certificated form and a Holder fails to deliver such VRDP Shares to which a Mandatory Purchase relates, on or prior to the Mandatory Purchase Date, the Holder of such VRDP Shares will not be entitled to any payment (including any accumulated but unpaid dividends thereon, whether or not earned or declared) other than the Purchase Price of such undelivered VRDP Shares as of the scheduled Purchase Date. Any such undelivered VRDP Shares will be deemed to be delivered to the Tender and Paying Agent, and the Tender and Paying Agent will place stop-transfer orders against the undelivered VRDP Shares. Any moneys held by the Tender and Paying Agent for the purchase of undelivered VRDP Shares shall be held in a separate account, shall not be invested, and shall be held for the exclusive benefit of the Holder of such undelivered VRDP Shares. The undelivered VRDP Shares shall be deemed to be no longer Outstanding (except as to entitlement to payment of the Purchase Price), and the Fund will issue to the purchaser a replacement VRDP Shares certificate in lieu of such undelivered VRDP Shares.

(o) The Liquidity Provider shall not have any responsibility for, or incur any liability in respect of, any losses, claims, damages, liabilities or expenses (including reasonable fees and expenses of counsel) ("**Losses**") relating to any act by the Tender and Paying Agent, or any failure to act or to perform any of its obligations, other than Losses arising out of the bad faith, gross negligence or willful misconduct of the Liquidity Provider.

(p) VRDP Shares purchased by the Liquidity Provider pursuant to this Section 2.02 shall be delivered to the Liquidity Provider or its nominee as specified by the Liquidity Provider.

(q) If there is no Tender and Paying Agent or for any reason the Tender and Paying Agent does not perform any of its foregoing obligations hereunder on behalf of any Beneficial Owner or Holder, such Beneficial Owner or its Agent Member or Holder may perform any such obligations in place of the Tender and Paying Agent (if any) with respect to the VRDP Shares of such Beneficial Owner or Holder and payments shall be made to the account(s) specified by such Beneficial Owners or Holders.

SECTION 2.03. Extension of Scheduled Termination Date.

Under the Fee Agreement, the Fund shall have the right, exercisable not more than one hundred twenty (120) days nor less than ninety (90) days prior to the Scheduled Termination Date, to request that the Liquidity Provider extend the term of such Scheduled Termination Date for an additional period of 364 days or, if mutually agreed upon by the parties to the Fee Agreement, a period greater than 364 days, which request may be conditioned upon terms and conditions that are different from the terms and conditions of this Agreement and the Fee Agreement then in effect. The Liquidity Provider shall, no later than thirty (30) days after receiving such request, notify the Fund and the Tender and Paying Agent of its acceptance or rejection of such request, which acceptance by the Liquidity Provider may be a Conditional Acceptance conditioned upon terms and conditions which are different from the terms and conditions of this Agreement and the Fee Agreement then in effect or the terms and conditions proposed by the Fund in making an extension request. If the Liquidity Provider fails to notify the Fund and the Tender and Paying Agent of its acceptance or rejection of the Fund's request for extension within such 30-day period, such failure to respond shall constitute a rejection of such request. If the Liquidity Provider provides a Conditional Acceptance, then the Fund shall have thirty (30) days thereafter to notify the Liquidity Provider and the Tender and Paying Agent of its acceptance or rejection of the terms and conditions specified in the Liquidity Provider's Conditional Acceptance. The Fund's failure to notify the Liquidity Provider and the Tender and Paying Agent within the 30-day period will be deemed a rejection of the terms and conditions specified in the Liquidity Provider's Conditional Acceptance. Under the Fee Agreement, the Fund will acknowledge and agree that the Liquidity Provider may grant or deny any request for extension of the Scheduled Termination Date in its sole and absolute discretion.

SECTION 2.04. Reduction of Available Commitment.

As of the opening of business on the day following the Liquidity Provider's receipt of written notice (which the Tender and Paying Agent will provide within two (2) Business Days of receipt of notice from the Fund) of any redemption or other repurchase of VRDP Shares consummated by the Fund, the Available Commitment shall automatically be reduced by the amount applicable to the VRDP Shares so redeemed or otherwise repurchased; and the Available Commitment in respect of such VRDP Shares shall be extinguished and shall not thereafter be revived, except with the prior written consent of the Liquidity Provider.

SECTION 2.05. Claw-Back Provision.

In the event that any dividends or redemption proceeds paid by the Fund on Outstanding VRDP Shares prior to the occurrence of a Fund Insolvency Event are required to be, and are, paid over to the bankruptcy estate of the Fund pursuant to a final, non-appealable judgment of a court of competent jurisdiction arising out of a Fund Insolvency Event, any Beneficial Owner (or former Beneficial Owner) of VRDP Shares that has paid over to the bankruptcy estate of the Fund pursuant to such judgment any dividends or redemption proceeds previously received from the Fund may demand reimbursement from the Liquidity Provider of any amounts so paid. The Liquidity Provider agrees to make such reimbursement payment within three (3) Business Days of receipt of any such demand for payment made in writing and accompanied by evidence reasonably satisfactory to the Liquidity Provider of payment made to the bankruptcy estate of the Fund by or on behalf of the demanding party. In connection with any reimbursement payment by the Liquidity Provider, the Beneficial Owner (or former Beneficial Owner) of VRDP Shares shall be deemed to have transferred, assigned and conveyed to the Liquidity Provider the right to receive from the Fund and the bankruptcy estate of the Fund any such dividends or redemption proceeds in exchange for the reimbursement payment by the Liquidity Provider, and the Beneficial Owner (or former Beneficial Owner) shall execute, acknowledge and deliver such further conveyances, assignments and other documents as the Liquidity Provider may reasonably request and are reasonably necessary in order to effectuate such assignment. The provisions of this Section 2.05 shall survive any expiration or termination of this Agreement, in respect of any dividends or redemption proceeds paid by the Fund on Outstanding VRDP Shares during the term of this Agreement, and shall be in addition to any other obligation of the Liquidity Provider under this Agreement.

***ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE TENDER AND PAYING AGENT***

The representations and warranties set out in this Article III are given hereunder by the Tender and Paying Agent on the Effective Date only and are not repeated on any subsequent date.

SECTION 3.01. Existence; Binding Effect

The Tender and Paying Agent represents and warrants to the Liquidity Provider that (i) the Tender and Paying Agent is duly organized and is validly existing as a banking corporation under the laws of the State of New York, (ii) it has the corporate power to enter into and perform its obligations under this Agreement and the Tender and Paying Agent Agreement and (iii) this Agreement constitutes the legal, valid and binding obligation of the Tender and Paying Agent except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws related to or affecting the rights of creditors generally from time to time in effect and by general principles of equity.

***ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE LIQUIDITY PROVIDER***

The representations and warranties set out in this Article IV are given hereunder by the Liquidity Provider on the Effective Date only and are not repeated on any subsequent date.

SECTION 4.01. Existence.

The Liquidity Provider is a national banking association duly organized and validly existing under the laws of the United States. The Liquidity Provider has all requisite power and authority to execute and deliver, and to perform its obligations under, this Agreement, including, without limitation, the Purchase Obligation.

SECTION 4.02. Authorization; Contravention.

The execution, delivery and performance by the Liquidity Provider of this Agreement, including, without limitation, the Purchase Obligation, are within the Liquidity Provider's powers, have been duly authorized by all necessary action, require no action by or in respect of, or filing with, any governmental body, agency or official and do not violate or contravene, or constitute a default under, any provision of applicable law, charter, ordinance or regulation binding upon the Liquidity Provider.

SECTION 4.03. Binding Effect.

This Agreement, including, without limitation, the Purchase Obligation, constitutes a valid and binding agreement of the Liquidity Provider, enforceable in accordance with its terms except as (i) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and (ii) the availability of equitable remedies may be limited by equitable principles of general applicability, it being understood that the enforceability of indemnification provisions may be subject to limitations imposed under applicable securities laws.

SECTION 4.04. Financial Information.

The publicly available portions of the Liquidity Provider's most recent Call Report, and any amendments and supplements thereto, present fairly, in all material respects, the financial position of the Liquidity Provider and its subsidiaries as of the date of such report. Since the date of the most recent such Call Report, no transaction or event has occurred and no change has occurred in the condition (financial or otherwise) or operations of the Liquidity Provider that would materially and adversely affect its ability to perform its obligations under this Agreement, including, without limitation, the Purchase Obligation.

SECTION 4.05. Litigation.

Except as disclosed in the Offering Memorandum or in a schedule delivered to the Fund prior to the Effective Date, no filed action, suit, proceeding or any commenced investigation actually known to the Liquidity Provider is pending against the Liquidity Provider in any court or before any governmental authority in any way contesting or that a reasonably expected adverse decision would affect the validity of this Agreement, including, without limitation, the Purchase Obligation.

SECTION 4.06. Consents.

All consents, licenses, approvals, validations and authorizations of, and registrations, validations or declarations by or with, any court or any regulatory, supervisory or governmental agency, bureau or agency required to be obtained in connection with the performance of the Liquidity Provider under this Agreement or the execution, delivery by, or the validity or enforceability against, the Liquidity Provider of this Agreement and the other Related Documents to which the Liquidity Provider is a party have been obtained and are in full force and effect.

SECTION 4.07. Ranking.

The obligations of the Liquidity Provider hereunder rank *pari passu* with all other senior unsecured obligations of the Liquidity Provider (other than any such obligations preferred by statute or by operation of law).

ARTICLE V
DUTIES OF THE TENDER AND PAYING AGENT

SECTION 5.01. Duties and Responsibilities.

(a) The Tender and Paying Agent is acting solely as agent for the Fund hereunder and owes no duties, fiduciary or otherwise, to any other Person by reason of this Agreement, other than to the Liquidity Provider as and to the extent expressly provided for herein.

(b) The Tender and Paying Agent undertakes to perform such duties and only such duties as are specifically set forth in this Agreement and no implied covenants or obligations shall be read into this Agreement against the Tender and Paying Agent.

(c) In the absence of negligence or willful misconduct on its part, the Tender and Paying Agent shall not be liable for any action taken, suffered or omitted by it in the performance of its duties under this Agreement. The Tender and Paying Agent shall not be liable for any error of judgment made in good faith unless and to the extent it is negligent in ascertaining the pertinent facts.

SECTION 5.02. Rights of the Tender and Paying Agent.

(a) The Tender and Paying Agent shall not incur liability for following the instructions herein contained or expressly provided for, or written instructions authorized hereby. The Tender and Paying Agent may conclusively rely and shall be fully protected in acting or refraining from acting upon any communication authorized hereby and upon any written instruction, notice, request, direction, consent, report, certificate, share certificate or other instrument, paper or document, believed by it, in the absence of manifest error or bad faith, to be genuine. The Tender and Paying Agent shall not be liable for acting upon any telephone communication authorized hereby which the Tender and Paying Agent reasonably believes in the absence of bad faith to have been given by the Fund, a Holder, a Beneficial Owner, an Agent Member, the Liquidity Provider or the Remarketing Agent. The Tender and Paying Agent may record telephone communications with the Fund, the Liquidity Provider and the Remarketing Agent in connection with its duties hereunder.

(b) The Tender and Paying Agent may consult with counsel of its choice and the advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) The Tender and Paying Agent shall not be required to advance, expend or risk its own funds or otherwise incur or become exposed to financial liability in the performance of its duties hereunder.

(d) The Tender and Paying Agent may perform its duties and its rights hereunder either directly or by or through agents or attorneys and shall not be responsible for misconduct or negligence on the part of any agent or attorney not affiliated with the Tender and Paying Agent appointed by it with due care hereunder. The Tender and Paying Agent shall notify the Fund of the appointment of any such non-affiliated agents or attorneys hereunder.

(e) Anything in this Agreement to the contrary notwithstanding, in no event shall the Tender and Paying Agent be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Tender and Paying Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

(f) The Tender and Paying Agent shall not be obligated to take any legal action hereunder that might, in its judgment, involve any expenses or liability, unless it has been furnished with indemnity reasonably satisfactory to it.

(g) The Tender and Paying Agent shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; flood; terrorism; wars and other military disturbances; sabotage; epidemics; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communication services; accidents; labor disputes; acts of civil or military authority and governmental action. The Tender and Paying Agent shall use commercially reasonable efforts to commence performance of its obligations during any of the foregoing circumstances.

(h) The Tender and Paying Agent makes no representation as to, and shall have no liability with respect to, the correctness of the recitals in, or the validity (with respect to parties other than the Tender and Paying Agent), accuracy or adequacy of this Agreement (including any schedules hereto), any VRDP Shares, the Certificate of Designation, the Placement Agreement, any offering material used in connection with the offer and sale of any VRDP Shares or any other agreement or instrument executed in connection with the transactions contemplated herein or in any thereof.

(i) The permissive right of the Tender and Paying Agent under this Agreement to take or omit to take any action shall not be construed as a duty.

(j) The Tender and Paying Agent may request that the Liquidity Provider deliver a certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Agreement, which certificate may be signed by any Person authorized to sign such a certificate, including any Person specified as so authorized in any such certificate previously delivered and not superseded.

(k) Unless otherwise mutually agreed in writing between the Liquidity Provider and the Tender and Paying Agent, the Tender and Paying Agent shall have no duty or obligation to pay any interest or earnings on or with respect to amounts held or deposited hereunder or to invest any funds deposited with it at any time pursuant to this Agreement. In the event the Liquidity Provider and the Tender and Paying Agent shall otherwise agree, any interest or earnings on or with respect to any amount held or deposited hereunder shall be remitted to the Fund in accordance with such agreement. The Tender and Paying Agent shall be under no duty or obligation to collateralize or pledge any security therefor, or to segregate any amounts hereunder except as may be required by law; provided, however, that the Tender and Paying Agent shall hold any Purchase Price received from the Liquidity Provider, with respect to VRDP Shares subject to purchase pursuant to the Purchase Obligation, or the Remarketing Agent, with respect to VRDP Shares remarketed by the Remarketing Agent, in separate accounts in trust for the benefit of the parties specified in Section 2.02(j) or the return of such Purchase Price to the Liquidity Provider or the Remarketing Agent as provided in Section 2.02(j).

(l) The Tender and Paying Agent, in its individual or any other capacity, may become the owner or pledgee of VRDP Shares with the same rights it would have if it were not Tender and Paying Agent.

(m) Nothing contained herein shall be construed to require the Tender and Paying Agent to advance its own funds to any Holder if sufficient funds have not been deposited with the Tender and Paying Agent by the Fund for the purpose of making payments hereunder.

(n) The Tender and Paying Agent shall have no duty to examine and shall not be charged with knowledge of the contents of any report, information or document delivered to it hereunder. The Tender and Paying Agent shall have no duty to determine the occurrence or continuance of any event or events that constitute a Liquidity Provider Ratings Event, Mandatory Tender Event, Mandatory Purchase Event, Failed Remarketing Condition, Failed Remarketing Condition—Purchased VRDP Shares Redemption or Related Party Termination Event, or to determine whether any agreement satisfies the requirements of an Alternate VRDP Shares Purchase Agreement.

(o) The Tender and Paying Agent has no obligation under the terms of this Agreement or otherwise to enforce any rights or exercise any remedies that may be available to any Holder or Beneficial Owner or other Person that arise out of or relate to this Agreement or otherwise.

SECTION 5.03. Tender and Paying Agent's Disclaimer.

The Tender and Paying Agent makes no representation as to the validity (except with respect to itself) or adequacy of this Agreement or any VRDP Shares issued or to be issued.

SECTION 5.04. Concerning the Securities Depository.

(a) None of the Liquidity Provider or the Tender and Paying Agent shall have any responsibility or obligation to any Beneficial Owner in the Global VRDP Shares, an Agent Member or other Person with respect to the accuracy of the records of the Securities Depository or its nominee or of any Agent Member, with respect to any ownership interest in the Global VRDP Shares or with respect to the delivery to any Agent Member, Beneficial Owner or other Person (other than the Securities Depository) of any notice (including any Notice of Redemption) or the payment of any amount, under or with respect to such VRDP Shares. All notices and communications to be given to the Holders and all payments to be made to Holders under this Agreement or the other Related Documents shall be given or made only to or upon the order of the registered holders (which shall be the Securities Depository or its nominee in the case of Global VRDP Shares). The rights of Beneficial Owners in the Global VRDP Shares shall be exercised only through the Securities Depository subject to the applicable procedures of the Securities Depository. The Liquidity Provider and the Tender and Paying Agent shall be entitled to rely and shall be fully protected in acting upon information furnished by the Securities Depository with respect to its members, participants and any beneficial owners. The Fund and the Tender and Paying Agent shall be entitled to deal with the Securities Depository, and any nominee thereof that is the registered holder of any Global VRDP Shares for all purposes of this Agreement or the other Related Documents relating to such Global VRDP Shares (including the payment of dividends, redemption price, if any, and additional amounts, if any, and the giving of instructions or directions by or to the owner or holder of a beneficial ownership interest in such Global VRDP Shares), as the sole holder of such Global VRDP Shares and shall have no obligations to the Beneficial Owners thereof. None of the Liquidity Provider or the Tender and Paying Agent shall have any responsibility or liability for any acts or omissions of the Securities Depository with respect to such Global VRDP Shares, for the records of the Securities Depository, including records in respect of beneficial ownership interests in respect of any such Global VRDP Shares, for any transactions between the Securities Depository and any Agent Member or between or among the Securities Depository, any such Agent Member and/or any holder or owner of a beneficial interest in such Global VRDP Shares, or for any transfers of beneficial interests in any such Global VRDP Shares.

(b) The Tender and Paying Agent shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under the other Related Documents or this Agreement or under applicable law with respect to any transfer of any interest in any VRDP Shares (including any transfers between or among Agent Members or Beneficial Owners of interests in any Global VRDP Shares), other than to require delivery of such certificates, other documentation or evidence, if any, as are expressly required by, and to do so if and when expressly required by the terms of this Agreement, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

**ARTICLE VI
COVENANTS OF THE LIQUIDITY PROVIDER**

The Liquidity Provider agrees that, so long as there is any Purchase Obligation hereunder or any amount payable hereunder or under any VRDP Shares remains outstanding:

SECTION 6.01. Fund Insolvency Event.

The Liquidity Provider agrees to perform all of its obligations hereunder, including the obligation to purchase the VRDP Shares in accordance with Article II herein, notwithstanding a Fund Insolvency Event.

SECTION 6.02. Waiver.

In the event of a termination of this Agreement as a result of a Termination Event, the Liquidity Provider agrees to waive its right with respect to Purchased VRDP Shares to exercise the Purchase Obligation provided by any subsequent Liquidity Provider; provided, however, that any Purchased VRDP Shares that are subsequently sold by the Liquidity Provider in a successful Remarketing shall at the time of such sale and thereafter have the full benefit of the Purchase Obligation of any subsequent Liquidity Provider; and, provided, further, that any Purchase Obligation of a subsequent Liquidity Provider with respect to the Purchased VRDP Shares shall be on parity with the Purchase Obligation of such Liquidity Provider with respect to all other Outstanding VRDP Shares.

SECTION 6.03. Notice of Extraordinary Corporate Event.

To the extent permitted under applicable confidentiality restrictions, the Liquidity Provider shall provide (a) written notice of an Extraordinary Corporate Event and (b) the written notice referred to in clause (y) in the definition of an Extraordinary Corporate Event, to the Fund at least ten (10) days prior to the scheduled date of the occurrence of an Extraordinary Corporate Event or ten (10) days prior to the scheduled date of the applicable listed occurrence in clause (i) of such definition, respectively.

SECTION 6.04. Additional Information.

If at any time the Liquidity Provider's bank holding company is not furnishing information to the SEC pursuant to Section 13 or 15(d) of the Exchange Act, in order to preserve the exemption for resales and transfers under Rule 144A, the Liquidity Provider shall furnish, or cause to be furnished, to Holders and Beneficial Owners of VRDP Shares and prospective purchasers of VRDP Shares, upon request, information with respect to the Liquidity Provider satisfying the requirements of subsection (d)(4) of Rule 144A.

**ARTICLE VII
MISCELLANEOUS**

SECTION 7.01. Resignation or Removal of the Tender and Paying Agent.

Any resignation or removal of the Tender and Paying Agent shall be effective only upon a replacement Tender and Paying Agent entering into a replacement of this Agreement with the Liquidity Provider.

SECTION 7.02. Notices.

All notices, requests and other communications to the Liquidity Provider shall be in writing (including teletype, electronic mail or similar writing), except in the case of notices and other communications permitted to be given by telephone, and shall be given to such party at its address or teletype number or email address set forth below or to such other Person and/or such other address or teletype number or email address as such party may hereafter specify for the purpose by notice to the other party. All notices, requests, demands and communications to be delivered to the Tender and Paying Agent shall be sent by Electronic Means to the attention of the Tender and Paying Agent at the office of the Tender and Paying Agent as set forth below or to such other Persons and/or such other addresses, teletype numbers or email addresses 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 (i) if given by mail, upon receipt, or (ii) if given by any other means, when delivered at the address specified in this Section. The notice address for each party is specified below:

- (a) if to the Liquidity Provider:

Bank of America, N.A.
One Bryant Park
1111 Avenue of the Americas, 9th Floor
New York, NY 10036

Attention: James Nacos/Thomas Visone
Telephone: (212) 449-7358 / (646) 743-1408
Telecopy: (646) 736-7286
Email: DG.Pfloats@baml.com; james.nacos@baml.com; Thomas.visone@baml.com

Wire Instructions:

Account with bank:
BANK OF AMERICA, NEW YORK
ABA: 026009593
FOR: BANK OF AMERICA CHARLOTTE GLOBAL DERIVATIVE SETTLEMENTS
Acct #: 6550219386
Ref: BlackRock VRDP Transactions

- (b) if to the Tender and Paying Agent:

The Bank of New York Mellon
Corporate Trust Division
Dealing and Trading Group
101 Barclay Street
Floor 7W
New York, New York 10286
Fax: (212) 815-2830

Joseph Denno
Vice President
Tel: (212) 815 2898
Fax: (212) 815 2830
Email: joseph.denno@bnymellon.com

Christina Sotiriou
Senior Associate
Tel: (212) 815-2888
Fax: (212) 815-2830
Email: christina.sotiriou@bnymellon.com

Kristen Tartaglione
Senior Associate
Tel: (212) 815 2902
Fax: (212) 815 2830
Email: kristen.tartaglione@bnymellon.com

Wire Instructions:

The Bank of New York Mellon
New York, New York
ABA#021 000 018
G/L/A# 111 565
For Further Credit to Account #704157
Ref: mm/dd/yy and Event (e.g., Purchase Date or Mandatory Tender)
Attn: Joe Denno, Tel: (212) 815-2898

Any payments required to be made by either party to the other, or any VRDP Shares required to be delivered by the Tender and Paying Agent to the Liquidity Provider, unless otherwise provided in a Related Document, shall be made in immediately available funds or delivered, by wire transfer, to the account of the applicable party listed under "Wire Instructions."

SECTION 7.03. No Waivers.

(a) The rights of the Liquidity Provider hereunder are separate from and in addition to any rights that the Liquidity Provider, as a holder of any VRDP Shares, may have under the terms of such VRDP Shares or any Related Document or otherwise.

(b) No failure or delay by the Liquidity Provider in exercising any right, power or privilege hereunder or under the VRDP Shares shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. No failure or delay by the Liquidity Provider in exercising any right, power or privilege under or in respect of the VRDP Shares or any other Related Document shall affect the rights, powers or privileges of the Liquidity Provider hereunder or thereunder or shall operate as a limitation or waiver thereof. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 7.04. Amendments and Waivers.

Any provision of this Agreement may be amended or waived with the consent of the Fund if, but only if, such amendment or waiver is in writing and is signed by the Tender and Paying Agent and the Liquidity Provider; provided, that no amendment or waiver that affects any preference, right or power of the VRDP Shares or the Holders thereof shall be made except as permitted under the Charter and the Certificate of Designation, and agreed to by the Fund. The provision of Section 7.10 relating to the third party beneficiary rights of Holders and Beneficial Owners may be amended only with the prior written consent of Holders of 100% of the Outstanding VRDP Shares.

SECTION 7.05. Successors and Assigns.

The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Neither party hereto may assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party and the Fund, except pursuant to the proviso to the definition of "Extraordinary Corporate Event". Any assignment or transfer without such prior written consent shall be void. The obligations of the Liquidity Provider to purchase VRDP Shares pursuant to this Agreement shall run to the benefit of those beneficiaries identified in Section 7.10 and the Purchase Obligation evidenced hereby shall not be transferable except in connection with a transfer of VRDP Shares or any beneficial interest therein, whereupon the Purchase Obligation shall automatically run to the benefit of the transferee.

SECTION 7.06. Term of this Agreement.

(a) Subject to subsections (b) and (c) below, this Agreement shall terminate on the later of (i) the earlier of (x) the Scheduled Termination Date (as such date may be extended in accordance with Section 2.03 hereof) and (y) the reduction of the Available Commitment of the Liquidity Provider to zero; and (ii) the date of payment of all sums payable by the Liquidity Provider pursuant to this Agreement.

(b) Notwithstanding the foregoing, (i) the Tender and Paying Agent, acting upon instructions of the Fund, may terminate this Agreement prior to the Scheduled Termination Date (as such date may be extended in accordance with Section 2.03 hereof) in accordance with this Section 7.06(b) as of the Liquidity Provider Ratings Event Termination Date specified by notice in writing to the Liquidity Provider following the occurrence of a Liquidity Provider Ratings Event or (ii) this Agreement shall terminate prior to the Scheduled Termination Date (as such date may be extended in accordance with Section 2.03 hereof) as of a Related Party Termination Date upon the occurrence of a Related Party Termination Event. The Liquidity Provider will use reasonable efforts to notify the Tender and Paying Agent and the Fund as soon as practicable at any time the Liquidity Provider believes it is highly likely a Related Party Termination Event will occur.

(c) No expiration or termination of this Agreement shall be effective, so long as VRDP Shares are Outstanding, until the completion of a Mandatory Purchase in respect thereof, if then required under the Certificate of Designation, including the purchase by the Liquidity Provider of any VRDP Shares required to be purchased by it as a result thereof pursuant to this Agreement.

SECTION 7.07. New York Law.

This Agreement shall be construed in accordance with and governed by the laws of the State of New York, without regard to conflicts of laws principles that would require the application of the laws of another jurisdiction.

THE PARTIES HERETO HEREBY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF THE FEDERAL AND NEW YORK STATE COURTS LOCATED IN THE CITY OF NEW YORK AND ANY APPELLATE COURT FROM ANY THEREOF IN CONNECTION WITH ANY DISPUTE RELATED TO THIS AGREEMENT OR ANY MATTERS CONTEMPLATED HEREBY.

SECTION 7.08. Waiver of Jury Trial.

Each of the Tender and Paying Agent, the Liquidity Provider and each third party beneficiary of this Agreement hereby waives trial by jury in any action, proceeding or counterclaim brought by any of the parties hereto or beneficiaries hereof against the other on any matters whatsoever arising out of or in any way connected with this Agreement.

SECTION 7.09. 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 7.10. Beneficiaries.

This Agreement is not intended and shall not be construed to confer upon any Person other than the parties hereto and their successors and permitted assigns any rights or remedies hereunder, except that the agreement of the Liquidity Provider to purchase VRDP Shares in accordance with the terms and conditions of this Agreement is made for the benefit of the Holders and Beneficial Owners from time to time of the VRDP Shares and shall be directly enforceable by the Holders or Beneficial Owners against the Liquidity Provider.

SECTION 7.11. Entire Agreement.

This Agreement shall constitute the entire agreement and understanding between the parties hereto with respect to the matters set forth herein and shall supersede any and all prior agreements and understandings relating to the subject matter hereof.

SECTION 7.12. Regulatory Matters.

Each party hereto acknowledges and agrees that it shall not be a condition precedent to the Purchase Obligation that any seller of VRDP Shares demonstrate or account for any loss.

SECTION 7.13. Severability.

If any clause, provision or section hereof shall be ruled invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections hereof.

SECTION 7.14. Articles and Section Headings.

The Articles and Section headings and the Table of Contents herein are for convenience of reference only, and shall not affect the construction, or limit or otherwise affect the meaning hereof.

SECTION 7.15. Nonpetition Covenant—Liquidity Provider.

Notwithstanding any prior termination of this Agreement, Bank of America, N.A., solely in its capacity as Liquidity Provider, hereby covenants and agrees that it shall not, prior to the date which is one (1) year and one (1) day after the redemption and the payment in full of the VRDP Shares and all accumulated dividends, petition or otherwise invoke the process of any court or government authority for the purpose of commencing a case against the Fund under any federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Fund or any substantial part of the property of the Fund; provided, however, that nothing in this provision shall preclude, or be deemed to stop, the Liquidity Provider from taking any action prior to the expiration of the aforementioned one (1) year and one (1) day period (x) in any case or proceeding voluntarily filed or commenced by the Fund, (y) in any involuntary insolvency proceeding filed or commenced against the Fund by a Person other than the Liquidity Provider, or (z) with respect to its rights or preferences as a Beneficial Owner or Holder of VRDP Shares.

SECTION 7.16. Nonpetition Covenant—Tender and Paying Agent.

Notwithstanding any prior termination of this Agreement, The Bank of New York Mellon, solely in its capacity as Tender and Paying Agent, hereby covenants and agrees that it shall not, prior to the date which is one (1) year and one (1) day after the redemption and the payment in full of the VRDP Shares and all accumulated dividends, petition or otherwise invoke process of any court or government authority for the purpose of commencing a case against, the Fund under any federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Fund or any substantial part of the property of the Fund; provided, however, that nothing in this provision shall preclude, or be deemed to stop, the Tender and Paying Agent from taking any action prior to the expiration of the aforementioned one (1) year and one (1) day period (x) in any case or proceeding voluntarily filed or commenced by the Fund, (y) in any involuntary insolvency proceeding filed or commenced against the Fund by a Person other than the Tender and Paying Agent, or (z) with respect to its rights or preferences as a Beneficial Owner or Holder of VRDP Shares.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

THE BANK OF NEW YORK MELLON,
AS TENDER AND PAYING AGENT

By: /s/ Joseph Denno

Name: Joseph Denno

Title: Vice President

BANK OF AMERICA, N.A.

By: /s/ James Nacos

Name: James Nacos

Title: Authorized Signatory

SCHEDULE I

Description of VRDP Shares:

2,746 Series W-7 Variable Rate Demand Preferred Shares, par value \$0.10 per share, with a liquidation preference of \$100,000 per share.

Initial Remarketing Agent:

Merrill Lynch, Pierce, Fenner & Smith Incorporated

<p><u>To be completed by Tender and Paying Agent only</u>—</p> <p>Check applicable box:</p> <p><input type="checkbox"/> This is a Preliminary Notice of Purchase</p> <p><input type="checkbox"/> This is a Final Notice of Purchase</p>

NOTICE OF PURCHASE

[Date]

Bank of America, N.A.
 One Bryant Park
 1111 Avenue of the Americas, 9th Floor
 New York, NY 10036
 Attention: James Nacos/Thomas Visone
 Telecopy: (646) 736-7286
 Email: DG.Pfloats@baml.com; james.nacos@baml.com; Thomas.visone@baml.com

BLACKROCK MUNIHOLDINGS INVESTMENT QUALITY FUND
 100 Bellevue Parkway
 Wilmington, DE 19809

Re: BlackRock MuniHoldings Investment Quality Fund - Series W-7 Variable Rate Demand Preferred Shares

Dear Ladies and Gentlemen:

Reference is made to the VRDP Shares Purchase Agreement dated as of June 30, 2011 (as heretofore amended, modified or supplemented, the "Agreement") between The Bank of New York Mellon, as the Tender and Paying Agent, and Bank of America, N.A., as the Liquidity Provider. Capitalized terms used herein shall have the meanings given to them in or by reference to the Agreement.

Pursuant to Section 2.01(b) of the Agreement, the undersigned [Tender and Paying Agent] [Beneficial Owner] [Agent Member of a Beneficial Owner] [Holder] hereby notifies you of [number] VRDP Shares (CUSIP 09254P 702) to be purchased by you today (the "Purchase Date") pursuant to Section 2.02 of the Agreement. The aggregate Purchase Price of such VRDP Shares is _____ dollars (\$_____). Of such aggregate Purchase Price, _____ dollars (\$_____) comprises the aggregate liquidation preference of such VRDP Shares and _____ dollars (\$_____) comprises accumulated but unpaid dividends on such VRDP Shares to and including the Purchase Date.

The Purchase Price should be provided in immediately available funds to:

[Insert Appropriate Wire Instructions for the Tender and Paying Agent]

[If there is no Tender and Paying Agent or the Tender and Paying Agent does not perform its obligations:]

[Insert Appropriate Wire Instructions]

Very truly yours,

The Bank of New York Mellon, as Tender and Paying Agent

By:

Name:
Title:

**[To be executed only if there is no Tender and Paying Agent or the
Tender and Paying Agent does not perform its obligations]**

In the case of a Beneficial Owner:

By:

Name:
Title:

[Address of Beneficial Owner]

**[To be executed only if there is no Tender and Paying Agent or the
Tender and Paying Agent does not perform its obligations]**

In the case of an Agent Member of a Beneficial Owner:

By:

Name:
Title:

[Address of Agent Member of a Beneficial Owner]

**[To be executed only if there is no Tender and Paying Agent or the
Tender and Paying Agent does not perform its obligations]**

In the case of a Holder:

By:

Name:

Title:

[Address of Holder]

BLACKROCK MUNIHOLDINGS INVESTMENT QUALITY FUND (THE "FUND")
SERIES W-7
VARIABLE RATE DEMAND PREFERRED SHARES ("VRDP Shares")

CUSIP NO. 09254P 702¹

MANDATORY PURCHASE NOTICE

In accordance with the Fund's Certificate of Designation Establishing and Fixing the Rights and Preferences of VRDP Shares dated June 28, 2011 (the "Certificate of Designation"), the Fund hereby notifies Holders and the Liquidity Provider of the Mandatory Purchase of the Outstanding VRDP Shares for purchase by the Liquidity Provider on the Mandatory Purchase Date specified below due to the occurrence of the following Mandatory Purchase Event:

The termination of the VRDP Shares Purchase Agreement prior to or on a Scheduled Termination Date where:

- (i) at least fifteen (15) days prior to any such termination, the Liquidity Provider has not agreed to an extension or further extension of the Scheduled Termination Date to a date not earlier than 364 days from the Scheduled Termination Date of the VRDP Shares Purchase Agreement currently in effect;
- (ii) at least fifteen (15) days prior to such termination, the Fund has not obtained and delivered to the Tender and Paying Agent an Alternate VRDP Shares Purchase Agreement with a termination date not earlier than 364 days from the Scheduled Termination Date of the VRDP Shares Purchase Agreement; or
- (iii) by the fifteenth (15th) day prior to a Liquidity Provider Ratings Event Termination Date or Related Party Termination Date, as the case may be, the Fund has not obtained and delivered to the Tender and Paying Agent an Alternate VRDP Shares Purchase Agreement with a termination date not earlier than 364 days from the Liquidity Provider Ratings Event Termination Date or Related Party Termination Date, as the case may be, of the VRDP Shares Purchase Agreement.

The Mandatory Purchase Date for purchase of all Outstanding VRDP Shares by the Liquidity Provider will be _____, 20__.

All Outstanding VRDP Shares will be automatically subject to Mandatory Purchase by the Liquidity Provider at the Purchase Price on the Mandatory Purchase Date, including any VRDP Shares tendered pursuant to an Optional Tender or Mandatory Tender for which the Purchase Date has not yet occurred.

In the event that VRDP Shares are issued in certificated form and a Holder fails to deliver any VRDP Shares to which the Mandatory Purchase relates, on or prior to the Mandatory Purchase Date, and the Holder of such VRDP Shares will not be entitled to any payment (including any accumulated but unpaid dividends thereon, whether or not earned or declared) other than the Purchase Price of such undelivered VRDP Shares as of the scheduled Purchase Date. Any such undelivered VRDP Shares will be deemed to be delivered to the Tender and Paying Agent, and the Tender and Paying Agent will place stop-transfer orders against the undelivered VRDP Shares. Any monies held by the Tender and Paying Agent for the purchase of undelivered VRDP Shares shall be held in a separate account, shall not be invested, and shall be held for the exclusive benefit of the Holder of such undelivered VRDP Shares. The undelivered VRDP Shares shall be deemed to be no longer Outstanding (except as to entitlement to payment of the Purchase Price), and the Fund will issue to the purchaser a replacement VRDP Shares certificate in lieu of such undelivered VRDP Shares.

¹ NOTE: Neither the Fund nor the Tender and Paying Agent shall be responsible for the selection or use of the CUSIP Numbers selected, nor is any representation made as to its correctness indicated in any notice or as printed on any VRDP Shares certificate. It is included solely as a convenience to Holders of VRDP Shares.

The Notice of Purchase to the Liquidity Provider will automatically be deemed given upon the delivery of this Mandatory Purchase Notice to the Liquidity Provider as provided in the VRDP Shares Purchase Agreement.

The Mandatory Purchase Notice shall be conclusively presumed to have been duly given, whether or not the Holders receive this notice.

Terms used herein and not otherwise defined shall have the meanings given to such terms in the Certificate of Designation.

Dated: _____

BLACKROCK MUNIHOLDINGS INVESTMENT QUALITY FUND

By: _____
Name:
Title:

**BLACKROCK MUNIHOLDINGS INVESTMENT QUALITY FUND (THE "FUND")
 SERIES W-7
 VARIABLE RATE DEMAND PREFERRED SHARES ("VRDP Shares")**

NOTICE OF TENDER

Note: The substance of this notice must be given by the Beneficial Owner or its Agent Member to The Bank of New York Mellon, as Tender and Paying Agent (the "Tender and Paying Agent"), appointed under the Tender and Paying Agent Agreement, dated as of June 30, 2011, between BlackRock MuniHoldings Investment Quality Fund and the Tender and Paying Agent, with a copy to Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Remarketing Agent"), the remarketing agent appointed under the VRDP Shares Remarketing Agreement, dated as of June 30, 2011, between BlackRock MuniHoldings Investment Quality Fund, Inc. and the Remarketing Agent, in the manner provided in Schedule 1 hereto by email transmission (or if email transmission shall be unavailable, by facsimile transmission) at or prior to 2:00 p.m., New York City time, on any Business Day. Any Notice of Tender delivered after 2:00 p.m., New York City time, will be deemed to have been received by the Tender and Paying Agent on the next succeeding Business Day and the Purchase Date specified in this Notice of Tender will be adjusted such that the Purchase Date shall be the next succeeding Business Day following the Purchase Date specified in this Notice of Tender. The determination of the Tender and Paying Agent as to whether a Notice of Tender has been properly delivered shall be conclusive and binding upon the Beneficial Owner and its Agent Member.

TO: The Bank of New York Mellon, as Tender and Paying Agent
 COPY TO: Merrill Lynch, Pierce, Fenner & Smith Incorporated

1. In accordance with the Fund's Certificate of Designation Establishing and Fixing the Rights and Preferences of VRDP Shares dated June 28, 2011, (the "Certificate of Designation"), the undersigned, _____, [Beneficial Owner] [Agent Member of the Beneficial Owner] of the following VRDP Shares:

VRDP Shares Series	CUSIP Number	Number of VRDP Shares to be Tendered ²
	09254P 702	

hereby notifies you of the election by the Beneficial Owner of the referenced VRDP Shares to tender such VRDP Shares for purchase in the amount set forth above on the Purchase Date specified below, which is a Business Day and a date on which such VRDP Shares are subject to Optional Tender for purchase pursuant to a notice given on the date hereof. Such Purchase Date shall be on any day not less than seven (7) days (or, if such day is not a Business Day, on the next succeeding Business Day) after delivery of this Notice of Tender.

²VRDP Shares may be tendered only in denominations of \$100,000 and integral multiples thereof.

Purchase Date:

The name and DTC Participant No. of the Agent Member tendering on behalf of the Beneficial Owner is:

Name of Agent Member:

DTC Participant No. of Agent Member:

Name of Beneficial Owner:

Beneficial Owner's account number:

The person to contact at the Beneficial Owner or its Agent Member and the related contact information are as follows:

Name:

Telephone No:

Email address:

The Beneficial Owner or its Agent Member acknowledges and agrees that the Person or Persons to whom or to whose order the Purchase Price of the tendered VRDP Shares is to be paid is/are the same as identified above.

2. The undersigned acknowledges the obligation of the tendering Beneficial Owner to deliver the VRDP Shares that are the subject of this Notice of Tender (that has not been duly revoked in accordance with the procedures referenced in Item 5 below) on or before 2:00 p.m., New York City time on the Purchase Date, and, in accordance with such obligation, the undersigned hereby undertakes to deliver or to cause to be delivered the VRDP Shares being sold [directly] or [through an Agent Member] to the Tender and Paying Agent, through the "funds against delivery" procedures of the Securities Depository, no later than 2:00 p.m., New York City time, on the Purchase Date. The undersigned hereby also assigns and transfers and directs the Securities Depository or its nominee or the Tender and Paying Agent to transfer the tendered VRDP Shares to the purchaser in accordance with the procedures described under the caption "Remarketing" in the Offering Memorandum, dated June 29, 2011, (the "Offering Memorandum"), relating to the VRDP Shares, and otherwise according to the Securities Depository's procedures, in exchange for the payment of the Purchase Price thereof on the Purchase Date.

3. The undersigned confirms its agreement that it hereby transfers to the purchaser of the VRDP Shares tendered pursuant to this Notice of Tender the right to receive from the Fund any dividends declared and unpaid for each day prior to the purchaser becoming the Beneficial Owner of the VRDP Shares in exchange for payment of the Purchase Price for such VRDP Shares by the purchaser.

4. The undersigned hereby represents and warrants for the benefit of the Tender and Paying Agent, the Remarketing Agent, the Liquidity Provider and the Fund that the undersigned has full power and authority to tender, exchange, assign and transfer the VRDP Shares to be tendered hereby, and that the transferee will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim, when the same are tendered.

5. The undersigned acknowledges that this Notice of Tender is irrevocable and effective upon the receipt by the Tender and Paying Agent, except that a Notice of Revocation to tender any or all of the VRDP Shares specified in this Notice of Tender may be delivered by email transmission (or if email transmission shall be unavailable, by facsimile transmission) to the Tender and Paying Agent, not later than 10:00 a.m., New York City time, on or prior to the Business Day immediately preceding the Purchase Date; provided, that the revocation will be effective only to the extent set forth in the Offering Memorandum.

6. Terms used herein and not otherwise defined shall have the meanings given to such terms in the Certificate of Designation.

Dated: _____

[Complete applicable signature block below.]

Print name of Beneficial Owner

By: _____

Name:
Title:

[OR]

Print name of Agent Member

By: _____

Name:
Title:

SCHEDULE 1

**NOTICE OF TENDER DELIVERY INFORMATION FOR
THE TENDER AND PAYING AGENT AND
FOR THE REMARKETING AGENT**

This Notice of Tender must be delivered by the Beneficial Owner or its Agent Member to The Bank of New York Mellon (the "Tender and Paying Agent"), with a copy to Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Remarketing Agent"), by email transmission at the email addresses listed below or such other email address as the Tender and Paying Agent and Remarketing Agent, as applicable, shall designate, (or if email transmission shall be unavailable, by facsimile transmission to the fax number listed below or such other fax number as the Tender and Paying Agent and the Remarketing Agent, as applicable, shall designate) at or prior to 2:00 p.m., New York City time, on any Business Day. If this Notice of Tender is delivered after 2:00 p.m., New York City time, it will be deemed to have been received by the Tender and Paying Agent on the next succeeding Business Day, and the Purchase Date will be adjusted such that the Purchase Date will be the Business Day next succeeding the date specified as the Purchase Date in this Notice of Tender:

Tender and Paying Agent Notice Details:

The Bank of New York Mellon
Corporate Trust Division
Dealing and Trading Group
101 Barclay Street
Floor 7W
New York, New York 10286

Email: BlackRockTenders@bnymellon.com
Fax: (212) 815-2830 (only if email transmission is unavailable)

Remarketing Agent Notice Details:

Merrill Lynch, Pierce, Fenner & Smith Incorporated
One Bryant Park
1111 Avenue of the Americas,
9th Floor,
New York, New York 10036,

Telephone: (212) 449-5544,
Telecopy: (646) 736-6960,
Email: dg.temm@baml.com;
mona.payton@baml.com;
robert.holmes@baml.com
robert.tomeny@baml.com

This Notice of Tender shall not be deemed to be delivered unless and until the Tender and Paying Agent actually receives it by the above-described means.

BLACKROCK MUNIHOLDINGS INVESTMENT QUALITY FUND (THE "FUND")
 SERIES W-7 VARIABLE RATE DEMAND PREFERRED SHARES ("VRDP Shares")

NOTICE OF REVOCATION

Note: The substance of this notice must be given to The Bank of New York Mellon (the "Tender and Paying Agent"), in the manner provided in Schedule 1 hereto by email transmission (or if email transmission shall be unavailable, by facsimile transmission), at or prior to 10:00 am., New York City time, on or prior to the Business Day immediately preceding the Purchase Date.

1. In accordance with the Fund's Certificate of Designation Establishing and Fixing the Rights and Preferences of Variable Rate Demand Preferred Shares ("VRDP Shares") dated June 28, 2011 (the "Certificate of Designation"), the undersigned [Beneficial Owner] or [Agent Member of the Beneficial Owner] delivered to the Tender and Paying Agent on _____, _____ a Notice of Tender (the "Notice of Tender") in connection with an Optional Tender relating to the following VRDP Shares:

VRDP Shares Series	CUSIP Number	Number of VRDP Shares to be Tendered ³
	09254P 702	

and specifying the following additional information applicable to such Optional Tender and Notice of Tender:

Purchase Date: _____

The name and DTC Participant No. of the Agent Member tendering on behalf of the Beneficial Owner is: _____

Name of Agent Member: _____

DTC Participant No. of Agent Member: _____

Name of Beneficial Owner: _____

Beneficial Owner's account number: _____

The person to contact at the Beneficial Owner or its Agent Member and the related contact information are as follows:

Name: _____

Telephone No: _____

Email address: _____

³VRDP Shares may be tendered only in denominations of \$100,000 and integral multiples thereof.

2. The undersigned, _____, [Beneficial Owner] [Agent Member of the Beneficial Owner] hereby requests revocation of the following number of VRDP Shares that were the subject of the Notice of Tender:

VRDP Shares Series	CUSIP Number	Number of VRDP Shares to be Revoked ⁴
	09254P 702	

3. The undersigned hereby acknowledges that this Notice of Revocation shall only be effective as a revocation of the Optional Tender of such number of VRDP Shares that are the subject of the Notice of Tender if all of the following conditions are met:

- (i) the Remarketing Agent has not entered into an agreement to sell such VRDP Shares; and
- (ii) this Notice of Revocation is received by the Tender and Paying Agent by email transmission (or if email transmission shall be unavailable, by facsimile transmission) not later than 10:00 a.m., New York City time, on the Business Day immediately preceding the Purchase Date.

4. The undersigned hereby acknowledges that this Notice of Revocation is irrevocable.

5. The undersigned acknowledges that this Notice of Revocation shall be effective to revoke the number of VRDP Shares requested to be revoked hereby only if and to the extent that the Remarketing Agent has so determined the effectiveness of such revocation with respect to such number of VRDP Shares (as evidenced by the Remarketing Agent below) and, to the extent not so effective, the Beneficial Owner (or its Agent Member on its behalf) continues to be obligated to tender such VRDP Shares for purchase for Optional Tender pursuant to and in accordance with the terms and conditions of the Notice of Tender.

6. Terms used herein and not otherwise defined shall have the meanings given to such terms in the Certificate of Designation.

Dated:

[Complete applicable signature block below.]

Print name of Beneficial Owner

By:

Name:
Title:

[OR]

Print name of Agent Member

By:

Name:
Title:

⁴VRDP Shares may be revoked only in denominations of \$100,000 and integral multiples thereof.

Extent to which this Notice of Revocation is Effective

The undersigned Remarketing Agent has determined in accordance with the Remarketing procedures set forth in the Offering Memorandum that the foregoing Notice of Revocation is effective for the following number of VRDP Shares that are the subject of the Notice of Tender: _____ VRDP Shares.

[•]

By:

Name:
Title:

Dated:

SCHEDULE 1

NOTICE OF REVOCATION DELIVERY INFORMATION FOR THE TENDER AND PAYING AGENT

This Notice of Revocation must be delivered by the Beneficial Owner or its Agent Member to The Bank of New York Mellon (the "Tender and Paying Agent") by email transmission at the email address listed below or such other email address as the Tender and Paying Agent shall designate, (or if email transmission shall be unavailable, by facsimile transmission to the fax number listed below or such other fax number as the Tender and Paying Agent shall designate) at or prior to 10:00 a.m., New York City time, on the Business Day immediately preceding the Purchase Date:

The Bank of New York Mellon
Corporate Trust Division
Dealing and Trading Group
101 Barclay Street
Floor 7W
New York, New York 10286

Email: BlackRockTenders@bnymellon.com

Fax: (212) 815-2830 (only if email transmission is unavailable)

AMENDMENT

dated as of

April 17, 2014

to the

VRDP SHARES PURCHASE AGREEMENT

dated as of

June 30, 2011

between

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

and

BANK OF AMERICA, N.A.,
as Liquidity Provider

BlackRock MuniHoldings Investment Quality Fund
Series W-7 Variable Rate Demand Preferred Shares

**AMENDMENT
TO THE
VRDP SHARES PURCHASE AGREEMENT**

AMENDMENT TO THE VRDP SHARES PURCHASE AGREEMENT dated as of April 17, 2014 (this “**Amendment**”)

BETWEEN:

- (1) **THE BANK OF NEW YORK MELLON**, a New York banking corporation, including its successors and assigns, as tender and paying agent, (the “**Tender and Paying Agent**”); and
- (2) **BANK OF AMERICA, N.A.**, a national banking association, as liquidity provider, (the “**Liquidity Provider**”).

WHEREAS:

BlackRock MuniHoldings Investment Quality Fund (the “**Fund**”) issued pursuant to its Certificate of Designation Establishing and Fixing the Rights of VRDP Shares, dated June 28, 2011, as the same may be amended from time to time (the “**Certificate of Designation**”) its Series W-7 Variable Rate Demand Preferred Shares (the “**VRDP Shares**”);

In connection with the issuance of the VRDP Shares, the Tender and Paying Agent and the Liquidity Provider entered into a VRDP Shares Purchase Agreement, dated as of June 30, 2011 (the “**VRDP Shares Purchase Agreement**”);

The Fund has determined to designate a Special Rate Period for the VRDP Shares pursuant to, and in accordance with, the Certificate of Designation. The Special Rate Period will commence on April 17, 2014 and end on April 19, 2017 or such later date to which it may be extended in accordance with the terms set forth under “Additional Provisions Relating to the Termination of Special Rate Period” in the Notice of Special Rate Period attached hereto as Exhibit A (the “**Notice of Special Rate Period**”). All references in this Amendment to the “Special Rate Period” shall be to such Special Rate Period; and

The Liquidity Provider wishes to modify, and the Fund has consented to the Tender and Paying Agent entering into this Amendment, for the purposes of modifying, certain provisions of the VRDP Shares Purchase Agreement in connection with the designation of the Special Rate Period.

NOW, THEREFORE, in consideration of the respective agreements contained herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**ARTICLE I
MODIFICATIONS TO THE VRDP SHARES PURCHASE AGREEMENT**

Section 1.01 Definitions

Any capitalized terms used in this Amendment but not defined herein shall have the meanings given to such capitalized terms in the VRDP Shares Purchase Agreement. The following defined terms shall apply to the VRDP Shares Purchase Agreement only during the Special Rate Period:

“**Initial Extended Termination Date**” and “**Special Rate Period Commencement Date**” shall have the meaning given to such terms in the Notice of Special Rate Period.

Section 1.02 Extension of Scheduled Termination Date

Effective as of the Special Rate Period Commencement Date, the Scheduled Termination Date will be extended to the Initial Extended Termination Date and the Initial Extended Termination Date will constitute the Scheduled Termination Date.

Section 1.03 Optional and Mandatory Tenders

(a) During the Special Rate Period, Beneficial Owners and Holders shall not have the right to tender their VRDP Shares for Remarketing pursuant to an Optional Tender.

(b) During the Special Rate Period, there shall be no Mandatory Tender Events or Mandatory Tenders or any consequences or penalties as a result of there being no Mandatory Tender Events or Mandatory Tenders.

Section 1.04 The Notice of Special Rate Period and Ambiguities

(a) During the Special Rate Period, the terms and provisions of the Notice of Special Rate Period shall be deemed a part of the Certificate of Designation.

(b) In the event of any conflict between the terms of the Notice of Special Rate Period and the terms of the VRDP Shares Purchase Agreement (as amended by this Amendment) or the Related Documents (as amended by any amendments thereto), the terms of the Notice of Special Rate Period shall govern.

**ARTICLE II
MISCELLANEOUS**

SECTION 2.01. Successors and Assigns.

The provisions of this Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Neither party hereto may assign or otherwise transfer any of its rights under this Amendment, by operation of law or otherwise, without the prior written consent of the other party. Any assignment without such prior written consent shall be void.

SECTION 2.02. Governing Law.

This Amendment shall be construed in accordance with and governed by the laws of the State of New York, without regard to conflict of laws principles that would require the application of the laws of another jurisdiction.

THE PARTIES HERETO HEREBY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF THE FEDERAL AND NEW YORK STATE COURTS LOCATED IN THE CITY OF NEW YORK AND ANY APPELLATE COURT FROM ANY THEREOF IN CONNECTION WITH ANY DISPUTE RELATED TO THIS AMENDMENT OR ANY MATTERS CONTEMPLATED HEREBY.

SECTION 2.03. Waiver of Jury Trial.

THE TENDER AND PAYING AGENT AND THE LIQUIDITY PROVIDER HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AMENDMENT.

SECTION 2.04. Counterparts.

This Amendment 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 2.05. Beneficiaries.

This Amendment is not intended and shall not be construed to confer upon any Person other than the parties hereto and their successors and permitted assigns any rights or remedies hereunder, except that the agreement of the Liquidity Provider to purchase VRDP Shares in accordance with the terms and conditions of the VRDP Purchase Agreement as amended hereby is made for the benefit of the Holders and Beneficial Owners from time to time of the VRDP Shares and shall be directly enforceable by the Holders or Beneficial Owners against the Liquidity Provider.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

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

By: /s/ Glenn McKeever

Name: Glenn McKeever

Title: Vice President

BANK OF AMERICA, N.A.,
as Liquidity Provider

By: /s/ James Nacos

Name: James Nacos

Title: Authorized Signatory

Signature Page to the Amendment to the MFL Purchase Agreement

NOTICE OF SPECIAL RATE PERIOD

[On File]

VRDP SHARES FEE AGREEMENT

dated as of

June 30, 2011

between

BLACKROCK MUNIHOLDINGS INVESTMENT QUALITY FUND,
as Issuer

and

BANK OF AMERICA, N.A.
as Liquidity Provider

BlackRock MuniHoldings Investment Quality Fund
Series W-7
Variable Rate Demand Preferred Shares ("VRDP Shares")

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VRDP SHARES FEE AGREEMENT

VRDP SHARES FEE AGREEMENT dated as of June 30, 2011, between **BLACKROCK MUNIHOLDINGS INVESTMENT QUALITY FUND**, a closed-end investment company organized as a Massachusetts business trust, as issuer (the “*Fund*”), and **BANK OF AMERICA, N.A.**, a national banking association, including its successors and assigns, as liquidity provider (the “*Liquidity Provider*”).

WHEREAS, the Fund has authorized the issuance of its Variable Rate Demand Preferred Shares, as set forth on Schedule I hereto, which are subject to this Agreement (the “*VRDP Shares*”);

WHEREAS, the Fund wishes to enhance the liquidity of the VRDP Shares by providing for the right of Holders and Beneficial Owners (as defined below) to sell pursuant to the Certificate of Designation (as defined below) and the obligation of the Liquidity Provider to purchase VRDP Shares pursuant to the Purchase Obligation (as defined below);

WHEREAS, the original issuance and sale of the VRDP Shares by the Fund is conditioned upon, and subject to, the Purchase Obligation being in effect with respect to the VRDP Shares; and

WHEREAS, the Certificate of Designation provides that the Fund for the benefit of the Holders and Beneficial Owners of VRDP Shares shall (i) maintain a VRDP Shares Purchase Agreement (as defined below) providing a Purchase Obligation on an ongoing basis to the extent that the Fund can do so on a commercially reasonable basis, and (ii) provide Holders and Beneficial Owners with advance notice of any termination of the Purchase Obligation.

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

ARTICLE I DEFINITIONS

SECTION 1.01. Definitions.

The following terms, as used herein, have the following meanings:

“*1940 Act*” means the Investment Company Act of 1940, as amended.

“*Agent Member*” means a Person with an account at the Securities Depository that holds one or more VRDP Shares through the Securities Depository, directly or indirectly, for a Beneficial Owner and that will be authorized and instructed, directly or indirectly, by a Beneficial Owner to disclose information to the Remarketing Agent and the Tender and Paying Agent with respect to such Beneficial Owner.

“**Agreement**” means this VRDP Shares Fee Agreement, as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms hereof.

“**Alternate VRDP Shares Purchase Agreement**” means any agreement with a successor liquidity provider replacing the VRDP Shares Purchase Agreement (or any replacement thereof) upon its termination in accordance with its terms and containing a Purchase Obligation substantially similar to the Purchase Obligation therein, as determined by the Fund.

“**AMPS**” has the meaning set forth in Section 6.20.

“**Applicable Rate**” means the dividend rate per annum on any share of VRDP Shares for a Rate Period determined as set forth in Section 2(e)(i) of Part I of the Certificate of Designation or in the definition of “Maximum Rate,” as applicable.

“**Available Commitment**” as of any day means, with respect to the VRDP Shares, the sum of the aggregate Liquidation Preference of the VRDP Shares then Outstanding plus all accumulated but unpaid dividends, whether or not earned or declared.

“**Basic Maintenance Amount**,” as of any Valuation Date, has the meaning set forth in the Rating Agency Guidelines.

“**Beneficial Owner**” means a Person in whose name VRDP Shares are recorded as beneficial owner of such VRDP Shares by the Securities Depository, an Agent Member or other securities intermediary on the records of such Securities Depository, Agent Member or securities intermediary, as the case may be, or such Person’s subrogee, including the Liquidity Provider to the extent it is at any time the Beneficial Owner of VRDP Shares (irrespective of any assignment or transfer by the Liquidity Provider of its voting rights).

“**Board**” means the Board of Trustees of the Fund or any duly authorized committee thereof.

“**Business Day**” means a day (a) other than a day on which commercial banks in The City of New York, New York are required or authorized by law or executive order to close and (b) on which the New York Stock Exchange is not closed.

“**Certificate of Designation**” means the Certificate of Designation Establishing and Fixing the Rights and Preferences of the VRDP Shares.

“**Charter**” means the Certificate of Designation of the Fund, and all amendments thereto, as filed with the Secretary of the Commonwealth of Massachusetts.

“**Closing Date**” means the Date of Original Issue of the VRDP Shares subject to the satisfaction of the conditions specified in Section 3.01.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Common Shares**” means the shares of common stock, par value \$0.10 per share, of the Fund.

“**Conditional Acceptance**” means a conditional acceptance by the Liquidity Provider of an extension of the Scheduled Termination Date.

“**Confidential Information**” has the meaning set forth in Section 8.15.

“**Custodian**” means a bank, as defined in Section 2(a)(5) of the 1940 Act, that has the qualifications prescribed in paragraph 1 of Section 26(a) of the 1940 Act, or such other entity as shall be providing custodian services to the Fund as permitted by the 1940 Act or any rule, regulation, or order thereunder, and shall include, as appropriate, any similarly qualified sub-custodian duly appointed by the Custodian.

“**Date of Original Issue**,” with respect to the VRDP Shares, means the date on which the Fund initially issued such VRDP Shares.

“**Defeased Securities**” means a security for which cash, cash equivalents or other eligible property has been pledged in an amount sufficient to make all required payments on such security to and including maturity, in accordance with the instrument governing the issuance of such security.

“**Deposit Securities**” means, as of any date, any United States dollar-denominated security or other investment of a type described below that either (i) is a demand obligation payable to the holder thereof on any Business Day or (ii) has a maturity date, mandatory redemption date or mandatory payment date, on its face or at the option of the holder, preceding the relevant payment date in respect of which such security or other investment has been deposited or set aside as a Deposit Security:

(1) cash or any cash equivalent;

(2) any U.S. Government Security;

(3) any Municipal Obligation that has a credit rating from at least one NRSRO that is the highest applicable rating generally ascribed by such NRSRO to Municipal Obligations with substantially similar terms as of the date of the Certificate of Designation (or such rating’s future equivalent), including (A) any such Municipal Obligation that has been pre-refunded by the issuer thereof with the proceeds of such refunding having been irrevocably deposited in trust or escrow for the repayment thereof and (B) any such fixed or variable rate Municipal Obligation that qualifies as an eligible security under Rule 2a-7 under the 1940 Act;

(4) any investment in any money market fund registered under the 1940 Act that qualifies under Rule 2a-7 under the 1940 Act, or similar investment vehicle described in Rule 12d1-1(b)(2) under the 1940 Act, that invests principally in Municipal Obligations or U.S. Government Securities or any combination thereof; or

(5) any letter of credit from a bank or other financial institution that has a credit rating from at least one NRSRO that is the highest applicable rating generally ascribed by such NRSRO to bank deposits or short-term debt of similar banks or other financial institutions as of the date of the Certificate of Designation (or such rating’s future equivalent).

“Derivative Contract” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, forward swap 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, futures contracts, repurchase transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, 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.

“Derivative Termination Value” means, in respect of any one or more Derivative Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Derivative Contracts, (a) for any date on or after the date such Derivative Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Derivative Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Derivative Contracts (which may include the Liquidity Provider or an affiliate of the Liquidity Provider).

“Discounted Value” as of any Valuation Date, shall have the meaning set forth in the Rating Agency Guidelines.

“Dividend Payment Date” except as otherwise provided in Section 2(d) of Part I of the Certificate of Designation, means the date that is the first Business Day of each calendar month.

“Dividend Period,” with respect to VRDP Shares, means the period from, and including, the Date of Original Issue of VRDP Shares to, but excluding, the initial Dividend Payment Date for VRDP Shares and any period thereafter from, and including, one Dividend Payment Date for VRDP Shares to, but excluding, the next succeeding Dividend Payment Date for VRDP Shares.

“Effective Leverage Ratio” means the quotient of:

(A) the sum of (i) the aggregate liquidation preference of the Fund’s “senior securities” (as that term is defined in the 1940 Act) that are stock, plus any accumulated but unpaid dividends thereon, excluding, without duplication, (x) any such senior securities for which the Fund has issued a Notice of Redemption and either has delivered Deposit Securities to the Tender and Paying Agent or otherwise has adequate Deposit Securities on hand and segregated on the books and records of the Custodian for the purpose of such redemption and (y) the Fund’s outstanding preferred shares to be redeemed in accordance with Section 6.20 of this Agreement with the gross proceeds from the sale of the VRDP Shares, for which the Fund either has delivered Deposit Securities to the Tender and Paying Agent or otherwise has adequate Deposit Securities on hand and segregated on the books and records of the Custodian for the purpose of such redemption; (ii) the aggregate principal amount of a Fund’s “senior securities representing indebtedness” (as that term is defined in the 1940 Act), plus any accrued but unpaid interest thereon; (iii) the aggregate principal amount of floating rate trust certificates corresponding to the associated residual floating rate trust certificates owned by the Fund (less the aggregate principal amount of any such floating rate trust certificates owned by the Fund and corresponding to the associated residual floating rate trust certificates owned by the Fund); and (iv) the aggregate amount of the Fund’s repurchase obligations under repurchase agreements.

divided by

(B) the sum of (i) the Market Value of the Fund's total assets (including amounts attributable to senior securities but excluding, any assets consisting of Deposit Securities referred to in clauses (i)(x) and (y) of paragraph A above), less the amount of the Fund's accrued liabilities (which accrued liabilities shall include net obligations of the Fund under each Derivative Contract in an amount equal to the Derivative Termination Value thereof payable by the Fund to the related counterparty), other than liabilities for the aggregate principal amount of senior securities representing indebtedness, and (ii) the aggregate principal amount of floating rate trust certificates corresponding to the associated residual floating rate trust certificates owned by the Fund (less the aggregate principal amount of any such floating rate trust certificates owned by the Fund and corresponding to the associated residual floating rate trust certificates owned by the Fund).

"Effective Leverage Ratio Cure Period" has the meaning set forth in Section 6.18.

"Electronic Means" means email transmission, facsimile transmission or other similar electronic means of communication providing evidence of transmission (but excluding online communications systems covered by a separate agreement) acceptable to the sending party and the receiving party, in any case if operative as between any two parties, or, if not operative, by telephone (promptly confirmed by any other method set forth in this definition), which, in the case of notices to the Tender and Paying Agent, shall be sent by such means as set forth in Section 7.02 of the Tender and Paying Agent Agreement or as specified in the related notice.

"Eligible Assets" means the instruments listed on Exhibit D to this Agreement, as amended from time to time with the prior consent of the Liquidity Provider.

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended.

"Extraordinary Corporate Event" means as to the Liquidity Provider, (i) the consolidation, amalgamation with, or merger with or into or the transfer of all or substantially all of the Liquidity Provider's assets to another entity, or (ii) the dissolution, for any reason, of the Liquidity Provider other than in connection with the consolidation, amalgamation with, or merger with or into another entity or the transfer of all or substantially all of the Liquidity Provider's assets; provided, however, that with respect to (i) above, an Extraordinary Corporate Event does not include any of the listed occurrences where (x) the surviving entity, or transferee of all or substantially all of the Liquidity Provider's assets (a) assumes all of the obligations of the Liquidity Provider under the terms of the VRDP Shares Purchase Agreement and (b) has (i) short-term debt ratings in one of the two highest rating categories from the Requisite NRSROs or (ii) such other short-term debt ratings, if any, as may be required for the VRDP Shares to satisfy the eligibility criteria under Rule 2a-7 under the 1940 Act and (y) the Liquidity Provider has provided notice in writing to the Fund confirming the information described in (x) at least 10 days prior to the scheduled date of the applicable listed occurrence in (i) above.

“Failed Remarketing Condition” means a Failed Remarketing Condition—Purchased VRDP Shares or a Failed Remarketing Condition—Unpurchased VRDP Shares.

“Failed Remarketing Condition—Purchased VRDP Shares” means the Liquidity Provider acquires and continues to be the beneficial owner for federal income tax purposes of any VRDP Shares in connection with purchases made pursuant to the Purchase Obligation (whether as a result of an unsuccessful Remarketing or a Mandatory Purchase) on any Purchase Date including VRDP Shares the Liquidity Provider continues to be the beneficial owner of for federal income tax purposes after the expiration or termination of the VRDP Shares Purchase Agreement.

“Failed Remarketing Condition—Purchased VRDP Shares Redemption” means redemption by the Fund, at a redemption price equal to \$100,000 per share *plus* accumulated but unpaid dividends thereon (whether or not earned or declared) to, but excluding, the date fixed by the Board for redemption, of VRDP Shares that the Liquidity Provider shall have acquired pursuant to the Purchase Obligation and continued to be the beneficial owner of for federal income tax purposes for a continuous period of six months during which such VRDP Shares are tendered for Remarketing on each Business Day in accordance with the Related Documents but cannot be successfully remarketed (i.e., a Failed Remarketing Condition—Purchased VRDP Shares shall have occurred and be continuing for such period of time with respect to such VRDP Shares), determined by the Fund on a first-in, first-out basis, in accordance with and subject to the provisions of Section 6.21 of this Agreement and the Certificate of Designation.

“Failed Remarketing Condition—Unpurchased VRDP Shares” means that a Beneficial Owner (other than the Liquidity Provider or its affiliates) continues to hold VRDP Shares, that were subject to a Tender in accordance with the VRDP Shares Purchase Agreement, after any Purchase Date as a result of the failure by the Liquidity Provider for any reason to purchase such VRDP Shares pursuant to the Purchase Obligation (whether as a result of an unsuccessful Remarketing or a Mandatory Purchase) (**“Unpurchased VRDP Shares”**), until such time as all Outstanding Unpurchased VRDP Shares are (i) successfully remarketed pursuant to a Remarketing, (ii) purchased by the Liquidity Provider pursuant to the Purchase Obligation, or (iii) if not successfully remarketed pursuant to a Remarketing or purchased by the Liquidity Provider pursuant to the Purchase Obligation, the subject of a validly tendered Notice of Revocation (or any combination of the foregoing); and any Unpurchased VRDP Shares shall be deemed tendered for Remarketing until the earliest to occur of the foregoing events (i), (ii) or (iii) with respect to such Unpurchased VRDP Shares.

“**Final Notice of Purchase**” means, in connection with an Optional Tender or a Mandatory Tender, a Notice of Purchase delivered by the Tender and Paying Agent to the Liquidity Provider (or directly to the Liquidity Provider by Beneficial Owners or their Agent Members, in the case of an Optional Tender, or Holders, in the case of a Mandatory Tender, if there is no Tender and Paying Agent or for any reason the Tender and Paying Agent does not perform its obligations) on the Purchase Date indicating the number of VRDP Shares to be purchased on such date pursuant to the Purchase Obligation, or, in connection with a Mandatory Purchase, the Mandatory Purchase Notice delivered by the Fund or the Tender and Paying Agent on behalf of the Fund.

“**Fitch**” means Fitch Ratings, a part of the Fitch Group, which is a majority-owned subsidiary of Fimalac, S.A.

“**Fitch Discount Factor**” means the discount factors set forth in the Fitch Guidelines for use in calculating the Discounted Value of the Fund’s assets in connection with Fitch ratings of the VRDP Shares at the request of the Fund.

“**Fitch Eligible Assets**” means assets of the Fund set forth in the Fitch Guidelines as eligible for inclusion in calculating the Discounted Value of the Fund’s assets in connection with Fitch ratings of the VRDP Shares at the request of the Fund

“**Fitch Guidelines**” means the guidelines applicable to Fitch’s current ratings of the VRDP Shares, provided by Fitch in connection with Fitch’s ratings of shares of a Series of VRDP Shares at the request of the Fund (a copy of which is available on request of the Fund), in effect on the date hereof and as may be amended from time to time, provided, however that any such amendment will not be effective for thirty (30) days from the date that Fitch provides final notice of such amendment to the Fund

“**Fund**” has the meaning set forth in the preamble to this Agreement.

“**Fund Insolvency Event**” means that the Fund becomes a debtor under Title 11 of the United States Bankruptcy Code or becomes subject to insolvency or liquidation proceedings under any United States federal or state, or any other law.

“**Holder**” means a Person in whose name a VRDP Share is registered in the registration books of the Fund maintained by the Tender and Paying Agent.

The word “**including**” means “including without limitation.”

“**Indemnified Persons**” means, as applicable, the Fund and its affiliates and trustees, officers, partners, employees, agents, representatives and control persons within the meaning of the Exchange Act, entitled to indemnification by the Liquidity Provider, or the Liquidity Provider and its affiliates and directors, officers, partners, employees, agents, representatives and control persons within the meaning of the Exchange Act, entitled to indemnification by the Fund, in each case, under Section 8.03.

“**Initial Rate Period**” with respect to the VRDP Shares, means the period commencing on and including the Date of Original Issue thereof and ending on, and including, the next succeeding Wednesday, as set forth under "Designation" in the Certificate of Designation.

“**Investment Adviser**” means BlackRock Advisors LLC, or any successor company or entity.

“**Legal Process**” has the meaning set forth in Section 8.15.

“**Liquidation Preference**,” with respect to a given number of VRDP Shares, means \$100,000 times that number.

“**Liquidity Account**” has the meaning set forth in Section 6.22(a).

“**Liquidity Account Investments**” means Deposit Securities or any other security or investment owned by the Fund that is rated not less than A-/A3 or the equivalent rating (or any such rating’s future equivalent) by each NRSRO then rating such security or investment (or if rated by only one NRSRO, by such NRSRO) or, if no NRSRO is then rating such security, deemed to be, with the prior written consent of the Liquidity Provider, of an equivalent rating by the Investment Adviser on the Fund’s books and records.

“**Liquidity Provider**” has the meaning set forth in the preamble of this Agreement.

“**Liquidity Provider Information**” means (i) the information under the captions “Summary – Liquidity Provider” and “Liquidity Provider” in the Offering Memorandum and (ii) any information in the Remarketing Materials under the caption “Liquidity Provider”, which in each case has been furnished in writing by the Liquidity Provider or its affiliates for inclusion therein (including without limitation through incorporation by reference).

“**Liquidity Provider Ratings Event**” means the Liquidity Provider shall fail to maintain at any time (i) short-term debt ratings in one of the two highest ratings categories from the Requisite NRSROs or (ii) such other short-term debt ratings, if any, as may be required for the VRDP Shares to satisfy the eligibility criteria under Rule 2a-7 under the 1940 Act.

“**Liquidity Provider Ratings Event Termination Date**” means the date established by the Tender and Paying Agent, acting upon instructions of the Fund pursuant to the Tender and Paying Agent Agreement, for termination of the VRDP Shares Purchase Agreement upon the occurrence of a Liquidity Provider Ratings Event, which date shall be not less than 16 days nor more than 30 days following such Liquidity Provider Ratings Event.

“**Liquidity Requirement**” has the meaning set forth in Section 6.22(b).

“**Managed Assets**” means the Fund’s net assets, including assets attributable to any principal amount of any borrowings (including the issuance of commercial paper or notes) or preferred shares outstanding. For the avoidance of doubt, assets attributable to borrowings includes the portion of the Fund’s assets in a tender option bond trust of which the Fund owns the residual interest (without regard to the value of the residual interest to avoid double counting).

“**Mandatory Purchase**” means the mandatory purchase of Outstanding VRDP Shares by the Liquidity Provider pursuant to the VRDP Shares Purchase Agreement in connection with a Mandatory Purchase Event.

“**Mandatory Purchase Date**” means the Purchase Date for a Mandatory Purchase in accordance with the Certificate of Designation and the VRDP Shares Purchase Agreement.

“**Mandatory Purchase Event**” means, (i) in connection with the termination of the VRDP Shares Purchase Agreement due to its expiration as of a Scheduled Termination Date, by the fifteenth day prior to any such Scheduled Termination Date, (a) the Liquidity Provider shall not have agreed to an extension or further extension of the Scheduled Termination Date to a date not earlier than 364 days from the Scheduled Termination Date of the VRDP Shares Purchase Agreement then in effect, and (b) the Fund shall not have obtained and delivered to the Tender and Paying Agent an Alternate VRDP Shares Purchase Agreement with a termination date not earlier than 364 days from the Scheduled Termination Date of the VRDP Shares Purchase Agreement being replaced, or (ii) in connection with the termination of the VRDP Shares Purchase Agreement due to a Liquidity Provider Ratings Event or Related Party Termination Event, by the fifteenth day prior to the Liquidity Provider Ratings Event Termination Date or Related Party Termination Date, as the case may be, the Fund shall not have obtained and delivered to the Tender and Paying Agent an Alternate VRDP Shares Purchase Agreement with a termination date not earlier than 364 days from the Liquidity Provider Ratings Event Termination Date or Related Party Termination Date, as the case may be, of the VRDP Shares Purchase Agreement being replaced. The Mandatory Purchase Event shall be deemed to occur on such fifteenth day prior to any Scheduled Termination Date, Liquidity Provider Ratings Event Termination Date or Related Party Termination Date, as the case may be.

“**Mandatory Purchase Notice**” means, in connection with the Mandatory Purchase of VRDP Shares, a notice substantially in the form attached to the VRDP Shares Purchase Agreement as Exhibit B, delivered by the Fund or the Tender and Paying Agent on behalf of the Fund to the Holders and the Liquidity Provider specifying a Mandatory Purchase Date.

“**Mandatory Tender**,” with respect to a Mandatory Tender Event, means the mandatory tender of all VRDP Shares by Holders for Remarketing, or, in the event (i) no Remarketing occurs on or before the Purchase Date or (ii) pursuant to an attempted Remarketing, VRDP Shares remain unsold and the Remarketing Agent does not purchase for its own account the unsold VRDP Shares tendered to the Tender and Paying Agent for Remarketing (provided, that the Remarketing Agent may seek to sell such VRDP Shares in a subsequent Remarketing prior to the Purchase Date), for purchase by the Liquidity Provider at the Purchase Price pursuant to Section 2 of Part II of the Certificate of Designation and the VRDP Shares Purchase Agreement.

“Mandatory Tender Event” means (a) each failure by the Fund to make a scheduled payment of dividends on a Dividend Payment Date; (b) the occurrence of a Liquidity Provider Ratings Event (which shall constitute a single Mandatory Tender Event upon the occurrence of such Liquidity Provider Ratings Event, whether or not continuing and whether or not such Liquidity Provider Ratings Event also results in a Mandatory Purchase Event; provided that, following restoration of the short-term debt ratings to the requisite level, a subsequent Liquidity Provider Ratings Event shall constitute a new Mandatory Tender Event); (c) in the event of a failure by the Fund to pay the Liquidity Provider the applicable fee when due under the terms of this Agreement if the Liquidity Provider (in its sole discretion) thereafter provides written notice to the Fund that such failure to pay such fee constitutes a Mandatory Tender Event; (d) the eighth day prior to the scheduled date of the occurrence of an Extraordinary Corporate Event; (e) the Fund shall have obtained and delivered to the Tender and Paying Agent an Alternate VRDP Shares Purchase Agreement by the 15th day prior to the Scheduled Termination Date, Liquidity Provider Ratings Event Termination Date or Related Party Termination Date, as the case may be, of the VRDP Shares Purchase Agreement being replaced; (f) the Fund shall have provided a Notice of Proposed Special Rate Period in accordance with the Certificate of Designation; or (g) in the event of a breach by the Fund of its Effective Leverage Ratio covenant with the Liquidity Provider set forth in Section 6.18 of this Agreement and the failure to cure such breach within 60 days from the date of such breach (which 60-day period would include the Effective Leverage Ratio Cure Period), if the Liquidity Provider (in its sole discretion) thereafter provides written notice to the Fund and the Tender and Paying Agent that the failure to timely cure such breach constitutes a Mandatory Tender Event (subject to the Fund curing such breach prior to the delivery date of such notice from the Liquidity Provider).

“Mandatory Tender Notice” means, in connection with the Mandatory Tender of VRDP Shares, a notice, substantially in the form attached to the VRDP Shares Remarketing Agreement as Annex II, delivered by the Fund or the Tender and Paying Agent on behalf of the Fund to the Holders and the Liquidity Provider specifying a Mandatory Tender Event and Purchase Date.

“Market Value” of any asset of the Fund means the market value thereof determined by an independent third-party pricing service designated pursuant to the Fund’s valuation policies and procedures approved from time to time by the Board for use in connection with the determination of the Fund’s net asset value. Market Value of any asset shall include any interest or dividends, as applicable, accrued thereon. The pricing service values portfolio securities at the mean between the quoted bid and asked price or the yield equivalent when quotations are readily available. Securities for which quotations are not readily available are valued at fair value as determined by the pricing service using methods which include consideration of: yields or prices of municipal bonds of comparable quality, type of issue, coupon, maturity and rating; indications as to value from dealers; and general market conditions. The pricing service may employ electronic data processing techniques or a matrix system, or both, to determine valuations.

“Maximum Rate” with respect to the VRDP Shares, has the meaning specified in the Certificate of Designation.

“Minimum VRDP Shares Asset Coverage” means asset coverage, as defined in Section 18(h) of the 1940 Act as of the date hereof (excluding (1) from the denominator of such asset coverage test (i) any such senior securities for which the Fund has issued a Notice of Redemption and either has delivered Deposit Securities to the Tender and Paying Agent or otherwise has adequate Deposit Securities on hand and segregated on the books and records of the Custodian for the purpose of such redemption and (ii) the Fund’s outstanding preferred shares to be redeemed in accordance with Section 6.20 of this Agreement with the gross proceeds from the sale of the VRDP Shares, for which the Fund either has delivered Deposit Securities to the Tender and Paying Agent or otherwise has adequate Deposit Securities on hand and segregated on the books and records of the Custodian for the purpose of such redemption and (2) from the numerator of such asset coverage test, any Deposit Securities referred to in the previous clause (1)(i) and (ii)), with such changes thereafter as agreed with the prior written consent of the Liquidity Provider, of at least 200% or such higher percentage as required and specified in this Agreement, but, in any event, not more than 250%, with respect to all outstanding senior securities of the Fund which are stock, including all Outstanding VRDP Shares (or, in each case, if higher, such other asset coverage as may in the future be specified in or under the 1940 Act as the minimum asset coverage for senior securities which are stock of a closed-end investment company as a condition of declaring dividends on its common shares or stock).

“Minimum VRDP Shares Asset Coverage Cure Date” with respect to the failure by the Fund to maintain the Minimum VRDP Shares Asset Coverage (as required by the Certificate of Designation and this Agreement) as of the last Business Day of each month, means the tenth Business Day of the following month.

“Minimum Rate Period” means any Rate Period consisting of seven Rate Period Days, as adjusted to reflect any changes when the regular day that is a Rate Determination Date is not a Business Day.

“Moody’s” means Moody’s Investors Service, Inc., a Delaware corporation, and its successors.

“Moody’s Discount Factor” means the discount factors set forth in the Moody’s Guidelines for use in calculating the Discounted Value of the Fund’s assets in connection with Moody’s ratings of the VRDP Shares at the request of the Fund.

“Moody’s Eligible Assets” means assets of the Fund set forth in the Moody’s Guidelines as eligible for inclusion in calculating the Discounted Value of the Fund’s assets in connection with Moody’s ratings of the VRDP Shares at the request of the Fund.

“Moody’s Guidelines” means the guidelines applicable to Moody’s current ratings of the VRDP Shares, provided by Moody’s in connection with Moody’s ratings of shares of a Series of VRDP Shares at the request of the Fund (a copy of which is available on request of the Fund), in effect on the date hereof and as may be amended from time to time, provided, however that any such amendment will not be effective for thirty (30) days from the date that Moody’s provides final notice of such amendment to the Fund.

“Municipal Obligations” means Municipal Bonds as described in the Offering Memorandum.

“Notice of Purchase” means, as the context requires, a Preliminary Notice of Purchase or a Final Notice of Purchase, in each case, substantially in the form attached as Exhibit A to the VRDP Shares Purchase Agreement.

“Notice of Redemption” means any notice with respect to the redemption of VRDP Shares pursuant to paragraph (c) of Section 10 of Part I of the Certificate of Designation.

“**Notice of Revocation**” means, in connection with the revocation by a Beneficial Owner or its Agent Member of its Notice of Tender, a notice, substantially in the form attached to the Tender and Paying Agent Agreement as Exhibit C, delivered by a Beneficial Owner or its Agent Member to the Tender and Paying Agent indicating an intention to revoke the tender of some or all of the VRDP Shares for sale on a Purchase Date pursuant to Section 1 of Part II of the Certificate of Designation.

“**Notice of Tender**” means, in connection with an Optional Tender, a notice, substantially in the form attached to the Tender and Paying Agent Agreement as Exhibit A, delivered by a Beneficial Owner or its Agent Member to the Tender and Paying Agent indicating an intention to tender VRDP Shares for sale on a Purchase Date pursuant to Section 1 of Part II of the Certificate of Designation.

“**NRSRO**” means a “nationally recognized statistical rating organization” within the meaning of Section 3(a)(62) of the Exchange Act, that is not an “affiliated person” (as defined in Section 2(a)(3) of the 1940 Act) of the Fund or the Liquidity Provider, including, at the date hereof, Moody’s and Fitch.

“**Offering Memorandum**” means the Offering Memorandum of the Fund relating to the offering and sale of the VRDP Shares dated June 29, 2011, as amended, revised or supplemented from time to time, including in connection with any Remarketing, if applicable.

“**Optional Tender**” means any tender of VRDP Shares by a Beneficial Owner or its Agent Member to the Tender and Paying Agent, other than a Mandatory Tender, for Remarketing or, in the event (i) no Remarketing occurs on or before the Purchase Date, or (ii) pursuant to an attempted Remarketing, VRDP Shares remain unsold and the Remarketing Agent does not purchase for its own account the unsold VRDP Shares tendered to the Tender and Paying Agent for Remarketing (provided that the Remarketing Agent may seek to sell such VRDP Shares in a subsequent Remarketing prior to the Purchase Date), for purchase by the Liquidity Provider pursuant to Section 2 of Part II of the Certificate of Designation and the VRDP Shares Purchase Agreement.

The word “*or*” is used in its inclusive sense.

“**Other Rating Agency**” means each NRSRO, if any, other than Moody’s and Fitch, then providing a rating for the VRDP Shares pursuant to the request of the Fund.

“**Other Rating Agency Guidelines**” means the guidelines applicable to each Other Rating Agency's ratings of the VRDP Shares, provided by Other Rating Agency in connection with such Other Rating Agency’s ratings of shares of a Series of VRDP Shares at the request of the Fund (a copy of which is available on request of the Fund), as may be amended from time to time, provided, however that any such amendment will not be effective except as agreed between the Other Rating Agency and the Fund.

“**Outstanding**” means, as of any date with respect to the VRDP Shares, the number of VRDP Shares theretofore issued by the Fund except, without duplication, (i) any VRDP Shares theretofore cancelled or delivered to the Tender and Paying Agent for cancellation or redemption by the Fund, (ii) any VRDP Shares with respect to which the Fund has given a Notice of Redemption and irrevocably deposited with the Tender and Paying Agent sufficient Deposit Securities to redeem such VRDP Shares, pursuant to Section 10 of Part I of the Certificate of Designation, (iii) any VRDP Shares as to which the Fund shall be a Beneficial Owner, and (iv) any VRDP Shares represented by any certificate in lieu of which a new certificate has been executed and delivered by the Fund; provided, however, with respect to clause (ii), any such VRDP Shares will be deemed to be Outstanding for purposes of the VRDP Shares Purchase Agreement until redeemed by the Fund.

“**Person**” means and includes an individual, a partnership, a corporation, a trust, an unincorporated association, a joint venture or other entity or a government or any agency or political subdivision thereof.

“**Placement Agent**” means BlackRock Investments, LLC.

“**Placement Agreement**” means the placement agreement, dated as of June 28, 2011, between the Fund and the Placement Agent with respect to the offering and sale of the VRDP Shares.

“**Preferred Shares**” means the preferred shares of the Fund, and includes the VRDP Shares.

“**Purchase Date**,” with respect to any purchase of VRDP Shares, means (i) in connection with an Optional Tender, the date specified in a Notice of Tender, which date shall be no earlier than the seventh day (or, if such day is not a Business Day, the next succeeding Business Day) following delivery to the Tender and Paying Agent of the Notice of Tender; (ii) in connection with a Mandatory Tender, the date specified in the Mandatory Tender Notice (or, if such day is not a Business Day, the next succeeding Business Day), subject to the immediately succeeding sentence below, or (iii) in connection with a Mandatory Purchase, the Mandatory Purchase Date specified in the Mandatory Purchase Notice (or, if such day is not a Business Day, the next succeeding Business Day). The Purchase Date in respect of a Mandatory Tender Event shall be not later than seven days following the date a Mandatory Tender Notice is sent to Holders by Electronic Means; provided, that: (A) the Purchase Date in connection with the failure of the Fund to pay the applicable fee to the Liquidity Provider may not be later than the last Business Day of the month such payment was due; (B) the Purchase Date in connection with the occurrence of an Extraordinary Corporate Event may not be later than the Business Day immediately preceding the occurrence of the Extraordinary Corporate Event (and, if no earlier Purchase Date is specified in a Mandatory Tender Notice with respect to such Extraordinary Corporate Event, the Business Day immediately preceding the occurrence of the Extraordinary Corporate Event shall be deemed to be the Purchase Date irrespective of the failure to have given or sent a Mandatory Tender Notice); (C) the Purchase Date in connection with the Fund obtaining an Alternate VRDP Shares Purchase Agreement may not be later than the Business Day immediately preceding the termination of the VRDP Shares Purchase Agreement and the effective date of such Alternate VRDP Shares Purchase Agreement (which may not be later than the termination date of the VRDP Shares Purchase Agreement); and (D) the Purchase Date in connection with a Notice of Proposed Special Rate Period may not be later than the first day of such proposed Special Rate Period.

“**Purchase Obligation**” means the unconditional and irrevocable obligation of the Liquidity Provider during the term and pursuant to the terms of the VRDP Shares Purchase Agreement to purchase Outstanding VRDP Shares on any Purchase Date at the Purchase Price from Beneficial Owners, in the case of any Optional Tender, and Holders, in the case of any Mandatory Tender or any Mandatory Purchase, in each case following delivery of a Final Notice of Purchase with respect to such VRDP Shares.

“**Purchase Price**” means an amount equal to the Liquidation Preference of any VRDP Shares to be purchased on a Purchase Date, *plus* any accumulated but unpaid dividends thereon (whether or not earned or declared), if any, to but excluding, the relevant Purchase Date.

“**Purchased VRDP Shares**” means all VRDP Shares purchased by the Liquidity Provider pursuant to the VRDP Shares Purchase Agreement, so long as the Liquidity Provider continues to be the beneficial owner for federal income tax purposes of such VRDP Shares.

“**QIB**” means a “qualified institutional buyer” as defined in Rule 144A under the Securities Act.

“**Rate Determination Date**” means, with respect to any series of VRDP Shares, the last day of a Rate Period for such series or, if such day is not a Business Day, the next succeeding Business Day; provided, however, that the next succeeding Rate Determination Date will be determined without regard to any prior extension of a Rate Determination Date to a Business Day.

“**Rate Period**” with respect to the VRDP Shares, means the Initial Rate Period and any Subsequent Rate Period, including any Special Rate Period.

“**Rate Period Days**” for any Rate Period, means the number of days that would constitute such Rate Period, but for the application of Section 2(d) of Part I of the Certificate of Designation or Section 4(b) of Part I of the Certificate of Designation.

“**Rating Agency**” means each of Fitch (if Fitch is then rating the VRDP Shares at the request of the Fund), Moody’s (if Moody’s is then rating the VRDP Shares at the request of the Fund) and any Other Rating Agency (if such Other Rating Agency is then rating the VRDP Shares at the request of the Fund).

“**Rating Agency Guidelines**” means Moody’s Guidelines (if Moody’s is then rating the VRDP Shares at the request of the Fund), Fitch Guidelines (if Fitch is then rating the VRDP Shares at the request of the Fund) and any Other Rating Agency Guidelines (if such Other Rating Agency is then rating the VRDP Shares at the request of the Fund).

“**Redemption Date**” means any date fixed for redemption in accordance with Section 10(c) of Part I of the Certificate of Designation.

“**Redemption Price**” means the applicable redemption price specified in Section 10(a) or 10(b) of Part I of the Certificate of Designation.

“**Related Documents**” means this Agreement, the Charter, the Certificate of Designation, the VRDP Shares, the Placement Agreement, the VRDP Shares Purchase Agreement, the VRDP Shares Remarketing Agreement and the Tender and Paying Agent Agreement.

“**Related Party**” means a related party for purposes of Section 267(b) or Section 707(b) of the Code, as such provisions may be amended from time to time.

“**Related Party Termination Date**” means the effective date of the termination of the VRDP Shares Purchase Agreement in accordance with its terms following the occurrence of a Related Party Termination Event.

“**Related Party Termination Event**” means the Liquidity Provider becoming a Related Party of the Fund other than through the acquisition of VRDP Shares pursuant to the terms of the VRDP Shares Purchase Agreement

“**Remarketing**” means the remarketing of VRDP Shares by the Remarketing Agent on behalf of the Beneficial Owners thereof pursuant to an Optional Tender or on behalf of the Holders thereof pursuant to a Mandatory Tender, as provided in the VRDP Shares Remarketing Agreement and the Certificate of Designation.

“**Remarketing Agent**” means, with respect to the VRDP Shares, the Person or Persons designated, with the prior written consent of the Liquidity Provider (which consent shall not be unreasonably withheld) as Remarketing Agent for the VRDP Shares, initially as set forth in Schedule I hereto, and its or their permitted successors and assigns.

“**Remarketing Materials**” means (i) the Fund’s most recent annual report and, if available, subsequent semi-annual report, which shall be deemed to have been made available upon the electronic availability of any such document on a public website, (ii) the most recent annual and, if available, interim report of the Liquidity Provider, which shall be deemed to have been made available upon the electronic availability of any such document on a public website, (iii) such other publicly available information as the Fund or the Liquidity Provider or the Remarketing Agent, if applicable, may reasonably request from time to time, of the Liquidity Provider, the Fund or the Remarketing Agent, and such other documentation, representations, warranties and certifications as the Fund, the Liquidity Provider or the Remarketing Agent, if applicable, may reasonably request, it being understood that the Fund, the Liquidity Provider or the Remarketing Agent, if applicable, may, in its discretion, determine to deliver to purchasers and prospective purchasers, in connection with the offer and sale of VRDP Shares by the Liquidity Provider, a Remarketing Memorandum, and (iv) such other publicly available information necessary, in the opinion of counsel for the Fund, the Liquidity Provider or the Remarketing Agent, if applicable, to amend or supplement the foregoing materials, in order that the foregoing materials will not include any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances existing at the time made available to or delivered to a purchaser.

“**Remarketing Memorandum**” means the Offering Memorandum or any other written communication describing the Fund, the Liquidity Provider and/or the terms of the VRDP Shares and the Purchase Obligation, which has been approved by each party hereto in writing for use in connection with Remarketing prior to its use, which approval shall not be unreasonably withheld or delayed.

“**Representatives**” has the meaning set forth in Section 8.15.

“**Requisite NRSROs**” means (i) any two NRSROs that have issued a rating with respect to a security or class of debt obligations of an issuer; or (ii) if only one NRSRO has issued a rating with respect to such security or class of debt obligations of an issuer at the time a purchaser Acquires (as such term is defined from time to time in Rule 2a-7 under the 1940 Act) the security, that NRSRO.

“**Scheduled Termination Date**” means the date that is 364 days from (and including) the Closing Date, or any succeeding date to which the term of this Agreement is extended pursuant to Section 2.02.

“**SEC**” means the Securities and Exchange Commission.

“**Securities Act**” means the U.S. Securities Act of 1933, as amended.

“**Securities Depository**” means The Depository Trust Company, New York, New York, and any substitute for or successor to such securities depository that shall maintain a book-entry system with respect to the VRDP Shares.

“**Special Rate Period**” with respect to the VRDP Shares, has the meaning specified in Section 4(a) of Part I of the Certificate of Designation.

“**Special Redemption Provisions**” has the meaning specified in Section 10(a)(i) of Part I of the Certificate of Designation.

“**Subsequent Rate Period**” with respect to the VRDP Shares, means the period from, and including, the first day following the Initial Rate Period of the VRDP Shares to, and including, the next Rate Determination Date for the VRDP Shares and any period thereafter from, and including, the first day following a Rate Determination Date for the VRDP Shares to, and including, the next succeeding Rate Determination Date for the VRDP Shares; provided, however, that if any Subsequent Rate Period is also a Special Rate Period, such term shall mean the period commencing on the first day of such Special Rate Period and ending on, and including, the last day of the last Dividend Period thereof; except for Special Rate Periods, each Subsequent Rate Period will be a Minimum Rate Period.

“**Tender**” means either a Mandatory Tender or an Optional Tender, as applicable.

“**Tender and Paying Agent**” means The Bank of New York Mellon or, with the prior written consent of the Liquidity Provider (which consent shall not be unreasonably withheld), any successor Person, which has entered into an agreement with the Fund to act in such capacity as the Fund’s tender agent, transfer agent, registrar, dividend disbursing agent, paying agent, redemption price disbursing agent and calculation agent in connection with the payment of regularly scheduled dividends with respect to VRDP Shares.

“**Tender and Paying Agent Agreement**” means the tender and paying agent agreement, dated as of June 30, 2011, by and between the Fund and the Tender and Paying Agent, as amended, modified or supplemented from time to time, or any similar agreement with a successor tender and paying agent.

“**Termination Event**” means a termination of this Agreement (a) on a Scheduled Termination Date, as such date may be extended pursuant to the terms hereof, (b) following written notice provided by the Fund pursuant to Section 8.06(b) hereof following the occurrence of a Liquidity Provider Ratings Event at any time during the term hereof or (c) on a Related Party Termination Date.

“**Transactions**” has the meaning set forth in Section 8.15.

“**U.S. Government Securities**” means direct obligations of the United States or of its agencies or instrumentalities that are entitled to the full faith and credit of the United States and that, other than United States Treasury Bills, provide for the periodic payment of interest and the full payment of principal at maturity or call for redemption.

“**Valuation Date**” means, for purposes of determining whether the Fund is maintaining the VRDP Shares Basic Maintenance Amount, each Friday that is a Business Day, or for any Friday that is not a Business Day, the immediately preceding Business Day, and the Date of Original Issue, commencing with the Date of Original Issue.

“**VRDP Shares**” has the meaning set forth in the preamble to this Agreement.

“**VRDP Shares Purchase Agreement**” means the VRDP Shares purchase agreement, dated as of June 30, 2011, by and between the Liquidity Provider and the Tender and Paying Agent, as amended, modified or supplemented, or any Alternate VRDP Shares Purchase Agreement.

“**VRDP Shares Remarketing Agreement**” means the VRDP Shares remarketing agreement with respect to the VRDP Shares, dated as of June 30, 2011, by and between the Fund and the Remarketing Agent, as amended, modified or supplemented from time to time.

“**written**” or “**in writing**” means any form of written communication, including communication by means of telex, telecopier or electronic mail.

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 (including by incorporation by reference) in the Certificate of Designation. Any day not referred to herein as a Business Day shall mean a calendar day.

**ARTICLE II
PURCHASE OBLIGATION**

SECTION 2.01. Commitment to Purchase VRDP Shares; Fees.

(a) The Fund and the Liquidity Provider are entering into this Agreement in connection with the Liquidity Provider’s agreement to provide the Purchase Obligation under the VRDP Shares Purchase Agreement. The Liquidity Provider agrees that in no event shall amounts paid by it in respect of the Purchase Price be paid from funds or property of the Fund, including, without limitation, any funds derived from funds that the Fund may have on deposit with the Liquidity Provider. The obligation of the Liquidity Provider to purchase VRDP Shares pursuant to the VRDP Shares Purchase Agreement shall run to the benefit of the Holders and Beneficial Owners of VRDP Shares and shall be unconditional and irrevocable in accordance with the provisions thereof.

(b) Pursuant to the Certificate of Designation, the Fund shall use its best efforts to engage at all times a Remarketing Agent that is a nationally recognized securities dealer with experience in remarketing variable-rate securities whose appointment has been consented to in writing by the Liquidity Provider (which consent shall not be unreasonably withheld) to use its best efforts to find purchasers for all VRDP Shares properly tendered pursuant to a Tender. All such VRDP Shares shall be remarketed at the Purchase Price of such VRDP Shares.

(c) Upon the occurrence of the Closing Date, the Fund shall use its best efforts to engage at all times a Tender and Paying Agent to perform the duties specified in the Certificate of Designation, the Tender and Paying Agent Agreement and the VRDP Shares Purchase Agreement.

SECTION 2.02. Extension of Scheduled Termination Date.

The Fund shall have the right, exercisable not more than 120 days nor less than 90 days prior to the Scheduled Termination Date, to request that the Liquidity Provider extend the term of such Scheduled Termination Date for an additional period of 364 days or, if mutually agreed upon by the parties hereto, a period greater than 364 days, which request may be conditioned upon terms and conditions that are different from the terms and conditions of this Agreement and the VRDP Shares Purchase Agreement then in effect. The Liquidity Provider shall, no later than 30 days after receiving such request, notify the Fund and the Tender and Paying Agent of its acceptance or rejection of such request, which acceptance by the Liquidity Provider may be a Conditional Acceptance conditioned upon terms and conditions which are different from the terms and conditions of this Agreement and the VRDP Shares Purchase Agreement then in effect or the terms and conditions proposed by the Fund in making an extension request. If the Liquidity Provider fails to notify the Fund and the Tender and Paying Agent of its acceptance or rejection of the Fund's request for extension within such 30-day period, such failure to respond shall constitute a rejection of such request. If the Liquidity Provider provides a Conditional Acceptance, then the Fund shall have 30 days thereafter to notify the Liquidity Provider and the Tender and Paying Agent of its acceptance or rejection of the terms and conditions specified in the Liquidity Provider's Conditional Acceptance. The Fund's failure to notify the Liquidity Provider and the Tender and Paying Agent within the 30-day period will be deemed a rejection of the terms and conditions specified in the Liquidity Provider's Conditional Acceptance. The Fund acknowledges and agrees that the Liquidity Provider may grant or deny any request for extension of the Scheduled Termination Date in its sole and absolute discretion.

SECTION 2.03. Sale of VRDP Shares.

(a) The Liquidity Provider shall make available to the Remarketing Agent those VRDP Shares held by it pursuant to the VRDP Shares Purchase Agreement for Remarketing in accordance with the terms of the VRDP Shares Remarketing Agreement and the remarketing procedures thereunder; provided, however, that the Liquidity Provider expressly reserves the right to sell VRDP Shares held by it at any time to any Person that it reasonably believes is a QIB and by any other means deemed appropriate by the Liquidity Provider in its sole discretion in accordance with applicable law; provided, that the Liquidity Provider shall not sell any VRDP Shares held by it outside of a Remarketing to any Person that is not a registered investment company under the 1940 Act (a "RIC") other than (i) an affiliate of the Liquidity Provider or Remarketing Agent or (ii) in connection with a repurchase financing transaction, without the prior consent of the Fund. For purposes of the preceding sentence, the Fund's prior consent shall not be unreasonably withheld or delayed with respect to sales to (1) a tender option bond trust (all of the investors in which are RICs, banks, insurance companies or any companies that are included in the S&P 500 (or a direct or indirect wholly-owned subsidiary thereof)) or (2) to any bank, insurance company or any company that is included in the S&P 500 (or a direct or indirect wholly-owned subsidiary thereof); provided, that with respect to any other purchaser, any consent withheld by the Fund because of the identity of such purchaser shall not be deemed unreasonable. The Liquidity Provider agrees that offers and sales will be made only to persons it reasonably believes are QIBs, pursuant to Rule 144A or another available exemption from registration under the Securities Act, in a manner not involving any public offering within the meaning of Section 4(2) of the Securities Act.

(b) In order to facilitate the sale of VRDP Shares by the Liquidity Provider, the Fund and the Liquidity Provider agree to timely make available their respective Remarketing Materials for inclusion in any Remarketing Memorandum.

SECTION 2.04. *Reduction of Available Commitment.*

(a) As of the opening of business on the day following the Liquidity Provider's receipt of written notice (which the Tender and Paying Agent will provide within two (2) Business Days of receipt of notice from the Fund) of any redemption or other repurchase of VRDP Shares consummated by the Fund, the Available Commitment shall automatically be reduced by the amount applicable to the VRDP Shares so redeemed or otherwise repurchased; and the Available Commitment in respect of such VRDP Shares shall be extinguished and shall not thereafter be revived, except with the prior written consent of the Liquidity Provider.

(b) In the event that any dividends or redemption proceeds paid by the Fund on Outstanding VRDP Shares prior to the occurrence of a Fund Insolvency Event are required to be, and are, paid over to the bankruptcy estate of the Fund pursuant to a final, non-appealable judgment of a court of competent jurisdiction arising out of a Fund Insolvency Event, any Beneficial Owner (or former Beneficial Owner) of VRDP Shares that has paid over to the bankruptcy estate of the Fund pursuant to such judgment any dividends or redemption proceeds previously received from the Fund may demand reimbursement from the Liquidity Provider of any amounts so paid. The Liquidity Provider agrees to make such reimbursement payment within three Business Days of receipt of any such demand for payment made in writing and accompanied by evidence reasonably satisfactory to the Liquidity Provider of payment made to the bankruptcy estate of the Fund by or on behalf of the demanding party. In connection with any reimbursement payment by the Liquidity Provider, the Beneficial Owner (or former Beneficial Owner) of VRDP Shares shall be deemed to have transferred, assigned and conveyed to the Liquidity Provider the right to receive from the Fund and the bankruptcy estate of the Fund any such dividends or redemption proceeds in exchange for the reimbursement payment by the Liquidity Provider, and the Beneficial Owner (or former Beneficial Owner) shall execute, acknowledge and deliver such further conveyances, assignments and other documents as the Liquidity Provider may reasonably request and are reasonably necessary in order to effectuate such assignment. The provisions of this Section 2.04 shall survive any expiration or termination of this Agreement, in respect of any dividends or redemption proceeds paid by the Fund on Outstanding VRDP Shares during the term of this Agreement, and shall be in addition to any other obligation of the Liquidity Provider under this Agreement.

SECTION 2.05. Fees.

(a) The Fund shall pay to the Liquidity Provider from the Closing Date to and including the date on which the Purchase Obligation under the VRDP Shares Purchase Agreement for all VRDP Shares has terminated, a monthly fee for each VRDP Share outstanding on the first calendar day of the immediately preceding calendar month, in an amount, equal to (a) the product of (i) 0.70% of 101.85% times \$100,000 multiplied by (ii) the actual number of days from and including such first calendar day of the immediately preceding calendar month to and including the last calendar day of such immediately preceding month or, if applicable, the date of any prior redemption or liquidation for such VRDP Share (as the case may be) divided by (b) 365. The fee for the period from and including the Closing Date to and including July 31, 2011 shall be paid on August 15, 2011, provided, that the day count for such fee calculation pursuant to clause (a)(ii) of the immediately preceding sentence for such payment on August 15, 2011 shall be 32 days and the fee shall be calculated in respect of each VRDP Share Outstanding on the Closing Date instead of the first calendar day of the immediately preceding month. Additionally, on the Closing Date the Fund shall pay the Liquidity Provider an upfront fee equal to 0.25% of the Liquidation Preference of VRDP Shares issued on the Closing Date.

(b) With respect to the fees payable pursuant to the first sentence of Section 2.05(a), such fee shall be invoiced by the Liquidity Provider and shall be payable monthly in arrears on the 15th calendar day of each month and if such day is not a Business Day, the next succeeding Business Day, and upon the date of termination of this Agreement, unless such payment date is a Dividend Payment Date, in which case such fee shall be paid on the Business Day immediately preceding such payment date. In addition, notwithstanding the foregoing, in the event of any optional redemption of VRDP Shares during the period commencing on the date hereof and ending on the initial Scheduled Termination Date, on the related Redemption Date the Fund shall pay to the Liquidity Provider a make-whole amount equal to the fee that would otherwise have been payable in respect of such redeemed VRDP Shares for the remainder of such period calculated as if such VRDP Shares remained Outstanding and not purchased by the Liquidity Provider during such remaining period.

SECTION 2.06. Operating Expenses.

The Fund shall pay amounts due to be paid by it hereunder (including any incidental expenses but not including redemption or dividend payments on the VRDP Shares) as operating expenses.

SECTION 2.07. No Deductions; Increased Costs.

(a) To the extent set forth in clauses (b) and (c) below, all “Sums Payable Hereunder” shall be paid in full, without any deduction or withholding whatsoever. For purposes of this Section 2.07, “Sums Payable Hereunder” shall mean amounts payable by the Fund hereunder, whether of fees, expenses or otherwise (but excluding any sums payable with respect to VRDP Shares of liquidation preference or dividends whether in connection with a Failed Remarketing Condition —Purchased VRDP Shares Redemption or otherwise).

(b) If any change in applicable law, regulation, condition, directive or interpretation thereof applicable to transactions of the type contemplated in this Agreement and the VRDP Shares Purchase Agreement (including any request, guideline or policy whether or not having the force of law (which the Liquidity Provider, in the reasonable exercise of its judgment, complies with) and including, without limitation, Regulation D promulgated by the Board of Governors of the Federal Reserve System as now and from time to time hereafter in effect and in connection with the implementation of Basel III, but excluding, changes in tax laws) or interpretation thereof by any authority charged with the administration or interpretation thereof with respect to the regulation of national banks occurs after the date hereof which:

(i) imposes, modifies or deems applicable any reserve or deposit or similar requirements against any assets held by or in connection with the Liquidity Provider’s commitment to provide the Purchase Obligation or this Agreement; or

(ii) imposes upon the Liquidity Provider any other condition with respect to Sums Payable Hereunder or amounts payable by the Liquidity Provider with respect to this Agreement or any other Related Document to which the Liquidity Provider is a party or its commitment to provide the Purchase Obligation; and the result of any of the foregoing is (x) to increase the cost to the Liquidity Provider of entering into or performing this Agreement or any other Related Document to which the Liquidity Provider is a party, making any payment pursuant to its Purchase Obligation or maintaining its commitment to provide the Purchase Obligation, (y) to reduce the amount of any Sums Payable Hereunder to the Liquidity Provider or (z) to require the Liquidity Provider to make any payment to a regulatory authority on or calculated by reference to the gross amount of any sum received by it, in each case by an amount which the Liquidity Provider deems material, then:

(1) the Liquidity Provider shall promptly notify the Fund in writing of the happening of such event;

(2) the Liquidity Provider shall promptly deliver to the Fund a certificate stating in reasonable detail the change which has occurred or the reserve requirements or other conditions which have been imposed on the Liquidity Provider 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 the way in which such amount has been calculated; and

(3) the Fund shall within thirty (30) days after demand and the Fund's receipt of the certificate described in subclause (2) above pay to the Liquidity Provider such an amount or amounts as will compensate the Liquidity Provider for such additional cost, reduction or payment as set forth on such certificate.

The reasonably detailed certificate of the Liquidity Provider prepared in good faith, signed by an authorized signatory of the Liquidity Provider, as to the additional amounts payable pursuant to this paragraph delivered to the Fund shall be conclusive and binding on the Fund absent manifest error of the amount thereof. In the event any such amounts paid by the Fund are subsequently refunded to the Liquidity Provider by the authority imposing such costs, the Liquidity Provider will reimburse the Fund for such amounts to the extent they are refunded to the Liquidity Provider, but without interest; provided, however, that it is understood and agreed that the Liquidity Provider has no duty or obligation to contest the imposition of or seek the recovery of any such costs.

For the avoidance of doubt, no payment will be due under this subsection in respect of a cost arising solely out of the ownership of VRDP Shares after performance by the Liquidity Provider of its obligations under this Agreement.

(c) If any applicable law, rule or regulation regarding capital adequacy, or any change therein (including, without limitation, in connection with the implementation of Basel III), in each case adopted after the date hereof, or any change in the interpretation or administration thereof after the date hereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Liquidity Provider (or any of its branches) with any request or directive made after the date hereof regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on the Liquidity Provider's capital as a consequence of its obligations hereunder or under its commitment to provide the Purchase Obligation or the transactions referenced herein or contemplated hereby to a level below that which the Liquidity Provider could have achieved but for such adoption, change or compliance (taking into consideration the Liquidity Provider's policies with respect to liquidity and capital adequacy) by an amount deemed by the Liquidity Provider to be material, then, within thirty (30) days of demand by the Liquidity Provider and receipt by the Fund of a certificate stating in reasonable detail the basis on which such amount was determined, the amount requested and the way in which such amount has been calculated, the Fund shall pay to the Liquidity Provider such additional amount or amounts determined by the Liquidity Provider set forth on such certificate as will compensate the Liquidity Provider for such reduced rate of return. The reasonably detailed certificate of the Liquidity Provider prepared in good faith, signed by an authorized signatory of the Liquidity Provider, as to the additional amounts payable pursuant to this paragraph delivered to the Fund shall be conclusive and binding on the Fund absent manifest error of the amount thereof.

For the avoidance of doubt, no payment will be due under this subsection in respect of a cost arising solely out of the ownership of VRDP Shares after performance by the Liquidity Provider of its obligations under this Agreement.

(d) With respect to the Liquidity Provider's claim for any compensation under this Section 2.07, the Fund shall not be required to compensate the Liquidity Provider for any amount incurred more than one hundred eighty (180) days prior to the date that the Liquidity Provider notifies the Fund of the event that gives rise to such claim; provided that if the circumstances giving rise to such claim is retroactive, then such 180-day period referenced above shall be extended to include the period of retroactive effect.

ARTICLE III CLOSING DATE

SECTION 3.01. Conditions to Closing Date

It shall be a condition to the Closing Date that each of the following conditions shall have been satisfied or waived as of such date, and upon such satisfaction or waiver, this Agreement shall be effective:

- (a) this Agreement shall have been duly executed and delivered by the parties hereto;
- (b) the VRDP Shares Purchase Agreement shall have been duly executed and delivered by the parties hereto or thereto;
- (c) the VRDP Shares shall have a short-term credit rating of P-1 from Moody's and F1+ from Fitch, and a long-term credit rating of Aaa from Moody's and a long-term issue credit rating of AAA from Fitch on the Closing Date;
- (d) the Liquidity Provider shall have short-term debt ratings of P-1 from Moody's and F1+ from Fitch;
- (e) 100% of the VRDP Shares being offered pursuant to the Offering Memorandum have been purchased by investors that are not affiliates of the Fund or the Investment Adviser;
- (f) receipt by the Liquidity Provider of executed originals, or copies certified by a duly authorized officer of the Fund to be in full force and effect and not otherwise amended, of: the Certificate of Designation, the VRDP Shares, the Placement Agreement, the VRDP Shares Purchase Agreement, the VRDP Shares Remarketing Agreement and the Tender and Paying Agent Agreement, in the forms attached hereto as Exhibit E; a true and complete copy of the Charter as in full force and effect on the Closing Date; the Offering Memorandum in form and substance reasonably satisfactory to the Liquidity Provider, as in effect on the Closing Date; and an incumbency certificate with respect to the authorized signatories thereto;
- (g) receipt by the Liquidity Provider of opinions of counsel for the Fund and, with respect to the Fee Agreement, of counsel for the Investment Adviser, in the form of Exhibit A;

- (h) receipt by the Fund of opinions of counsel for the Liquidity Provider and the Remarketing Agent, in the form of Exhibit B;
- (i) receipt by the Fund and the Liquidity Provider of opinions of counsel for the Tender and Paying Agent in the form of Exhibit C;
- (j) the reasonable fees and expenses and all other amounts (including reasonable attorneys' fees and expenses related to the issuance of the VRDP Shares) payable to the Liquidity Provider on or prior to the Closing Date pursuant to this Agreement shall have been paid; and
- (k) there shall have been delivered to the Liquidity Provider such information and copies of documents, approvals (if any) and records certified, where appropriate, of organizational and legal proceedings as the Liquidity Provider may have requested relating to the Fund's entering into and performing this Agreement and the other Related Documents to which it is a party, and the transactions contemplated hereby and thereby. Such documents shall, in any event, include a certificate of the Fund, in form and substance satisfactory to the Liquidity Provider and its counsel, executed by an executive officer of the Fund, dated the Closing Date, to the effect that the all representations and warranties made by the Fund herein or in any of the Related Documents to which it is a party shall be true and correct in all material respects with the same effect as though such representations and warranties had been made at and as of such time, unless such representations and warranties expressly relate to a specific earlier date, in which case such representations and warranties are true and correct in all material respects as of such earlier date, that all fees and expenses and other amounts and obligations payable by the Fund under this Agreement have been paid or satisfied as of such date and that all actions required to be taken, all consents required to be obtained, and all resolutions required to be adopted (which resolutions shall be attached to such certificate), in each case by the Fund under applicable law, have been done, obtained and adopted.

**ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE FUND**

The representations and warranties set out in this Article IV are given hereunder by the Fund on the Closing Date (in respect of Section 4.01 to Section 4.06 (inclusive), Section 4.09 and Section 4.10) and as of the Closing Date and each date subsequent to the date thereof, except that the representations and warranties set forth in Section 4.07, Section 4.08, Section 4.11, Section 4.12 and Section 4.13 shall be given only on the Closing Date, and, in the case of Section 4.07, on each date subsequent to the Closing Date on which the Offering Memorandum is provided to Holders or potential Holders of VRDP Shares.

SECTION 4.01. Existence.

The Fund is validly existing as a voluntary association with transferable shares under the laws of the Commonwealth of Massachusetts, with full right and power to issue the VRDP Shares and to execute, deliver and perform its obligations under this Agreement and each other Related Document.

SECTION 4.02. Authorization; Contravention.

The execution, delivery and performance by the Fund of this Agreement and each other Related Document are within the Fund's powers, have been duly authorized by all necessary action, require no action by or in respect of, or filing with, any governmental body, agency or official and do not violate or contravene, or constitute a default under, any provision of applicable law, charter, ordinance or regulation or of any material agreement, judgment, injunction, order, decree or other instrument binding upon the Fund or result in the creation or imposition of any lien or encumbrance on any asset of the Fund, except for such violations or contraventions which would not have a material adverse effect on the Fund's ability to perform its obligations under this Agreement, any of the VRDP Shares or any other Related Documents; provided, however, that the foregoing exception shall not apply to any violation or contravention of the Fund's charter.

SECTION 4.03. Binding Effect.

This Agreement, the Tender and Paying Agent Agreement and the VRDP Shares Remarketing Agreement, if executed and delivered on the date this representation is made, constitute valid and binding agreements of the Fund, or, if not yet executed and delivered, will, when executed and delivered, constitute valid and binding agreements of the Fund, in each case enforceable in accordance with their respective terms except as (i) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and (ii) the availability of equitable remedies may be limited by equitable principles of general applicability, it being understood that the enforceability of indemnification provisions may be subject to limitations imposed under applicable securities laws. The VRDP Shares have been duly authorized and validly issued by the Fund, and, when the Fund receives the consideration therefore contemplated in the Offering Memorandum, will be fully paid and nonassessable and are free of any preemptive or similar rights.

SECTION 4.04. Financial Information.

The financial statements of the Fund as of its most recent fiscal year-end, and the auditors' report with respect thereto, copies of which have heretofore been furnished to the Liquidity Provider, present fairly in all material respects the financial condition of the Fund, at such date and for such period, and were prepared in accordance with United States generally accepted accounting principles, consistently applied. The audits of these statements were conducted in accordance with the standards of the Public Company Accounting Oversight Board. Since the date of the financial statements, no transaction or event has occurred and no change has occurred in the condition (financial or otherwise) or operations of the Fund which materially and adversely affect the issuance of any of the VRDP Shares or the Fund's ability to pay when due or otherwise perform its obligations under this Agreement, any of the VRDP Shares and the Related Documents.

SECTION 4.05. Litigation.

Except as disclosed in the Offering Memorandum or in Schedule II hereto, no action, suit, proceeding or investigation is pending or (to the best knowledge of the Fund) overtly threatened in writing against the Fund in any court or before any governmental authority (i) in any way contesting or that, if decided adversely, would affect the validity of any other Related Document or this Agreement; or (ii) in which a final adverse decision would adversely affect provisions for or materially adversely affect the sources for payment of liquidation preference of or dividends on the VRDP Shares.

SECTION 4.06. Consents.

All consents, licenses, approvals, validations and authorizations of, and registrations, validations or declarations by or with, any court or any governmental agency or bureau required to be obtained in connection with the execution, delivery, performance, validity or enforceability against the Fund of this Agreement and the other Related Documents (including the VRDP Shares) to which the Fund is or will be a party have been obtained and are in full force and effect.

SECTION 4.07. Offering Memorandum.

The Offering Memorandum, true copies of which will be or have been delivered to the Liquidity Provider on or before the date hereof, does not contain, and such Offering Memorandum (including any amendments or supplements prepared subsequent to its date) (a true copy of which, in each case, has been and shall be furnished to the Liquidity Provider prior to the distribution thereof) does not contain, and will not contain, an untrue statement of a material fact and such Offering Memorandum does not omit, and will not omit, to state a material fact necessary to make the statements therein, in the light of the circumstances under which made, not misleading, except no representation is made as to Liquidity Provider Information furnished in writing by the Liquidity Provider or its affiliates for inclusion therein.

SECTION 4.08. Incorporation of Representations and Warranties.

The Fund hereby makes to the Liquidity Provider the same representations and warranties as were made by it in the Placement Agreement as of the date or dates indicated therein, 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.

SECTION 4.09. Complete and Correct Information.

All information, reports and other papers and data with respect to the Fund furnished to the Liquidity Provider were, at the time the same were so furnished, complete and correct in all material respects. Any financial, budget and other projections furnished to the Liquidity Provider were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent, the Fund's best estimate of the Fund's future financial performance. No fact is known to the Fund that materially and adversely affects or in the future may (so far as it can reasonably foresee) materially and adversely affect the VRDP Shares, or the Fund's ability to pay when due its obligations under this Agreement, any of the VRDP Shares and the other Related Documents that has not been set forth in the Offering Memorandum referenced in Section 4.07 hereof or in the financial information and other documents referred to in this Section 4.09 or in such information, reports, papers and data or otherwise disclosed in writing to the Liquidity Provider. The documents furnished and written statements made by the Fund in connection with the negotiation, preparation or execution of this Agreement and the other Related Documents do not contain untrue statements of material facts or omit to state material facts necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

SECTION 4.10. 1940 Act Registration.

The Fund is duly registered as a closed-end management investment company under the 1940 Act and such registration is in full force and effect.

SECTION 4.11. Effective Leverage Ratio; Minimum VRDP Shares Asset Coverage.

As of the Closing Date, the Fund is in compliance with the Effective Leverage Ratio and the Minimum VRDP Shares Asset Coverage.

SECTION 4.12. Investment Policies.

As of the Closing Date, the Fund owns only Eligible Assets.

SECTION 4.13. Credit Quality.

The Fund has invested its Managed Assets primarily in investment grade securities that, at the time of investment, were rated within the four highest grades (Baa or BBB or better) by at least one NRSRO or were unrated but judged to be of comparable quality by the Investment Adviser.

**ARTICLE V
REPRESENTATIONS AND WARRANTIES OF THE LIQUIDITY PROVIDER**

The representations and warranties set out in this Article V are given hereunder by the Liquidity Provider on the Closing Date, except with respect to the representation and warranty set forth in Section 5.07 which shall be given on the Closing Date and as of the date of the Offering Memorandum prepared in connection with the initial offering of VRDP Shares.

SECTION 5.01. Existence.

The Liquidity Provider is a national banking association duly organized and validly existing under the laws of the United States. The Liquidity Provider has all requisite power and authority to execute and deliver, and to perform its obligations under this Agreement and the VRDP Shares Purchase Agreement, including, without limitation, the Purchase Obligation.

SECTION 5.02. Authorization; Contravention.

The execution, delivery and performance by the Liquidity Provider of this Agreement and the VRDP Shares Purchase Agreement, including, without limitation, the Purchase Obligation, are within the Liquidity Provider's powers, have been duly authorized by all necessary action, require no action by or in respect of, or filing with, any governmental body, agency or official and do not violate or contravene, or constitute a default under, any provision of applicable law, charter, ordinance or regulation.

SECTION 5.03. Binding Effect.

Each of this Agreement and the VRDP Shares Purchase Agreement, including, without limitation, the Purchase Obligation, constitutes, in the case of this Agreement, a valid and binding agreement of the Liquidity Provider, and, in the case of the VRDP Shares Purchase Agreement, including, without limitation, the Purchase Obligation, will, when executed and delivered, constitute a valid and binding agreement of the Liquidity Provider, in each case, enforceable in accordance with its terms except as (i) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and (ii) the availability of equitable remedies may be limited by equitable principles of general applicability, it being understood that the enforceability of indemnification provisions may be subject to limitations imposed under applicable securities laws.

SECTION 5.04. Financial Information.

The publicly available portions of the Liquidity Provider's most recent Call Report, and any amendments and supplements thereto, present fairly, in all material respects, the financial position of the Liquidity Provider and its subsidiaries as of the date of such report. Since the date of the most recent such Call Report, no transaction or event has occurred and no change has occurred in the condition (financial or otherwise) or operations of the Liquidity Provider that would materially and adversely affect its ability to perform its obligations under this Agreement or the VRDP Shares Purchase Agreement, including, without limitation, the Purchase Obligation.

SECTION 5.05. Litigation.

Except as disclosed in the Offering Memorandum or in a schedule delivered to the Fund prior to the Closing Date, no filed action, suit, proceeding or any commenced investigation actually known to the Liquidity Provider is pending against the Liquidity Provider in any court or before any governmental authority in any way contesting or that a reasonably expected adverse decision would affect the validity of this Agreement or the VRDP Shares Purchase Agreement, including, without limitation, the Purchase Obligation.

SECTION 5.06. Consents.

All consents, licenses, approvals, validations and authorizations of, and registrations, validations or declarations by or with, any court or any regulatory, supervisory or governmental agency or bureau required to be obtained in connection with the performance of the Liquidity Provider or the execution, delivery by, or the validity or enforceability against, the Liquidity Provider of this Agreement and the other Related Documents to which the Liquidity Provider is a party have been obtained and are in full force and effect.

SECTION 5.07. Offering Memorandum.

The Liquidity Provider Information does not contain, and will not contain, an untrue statement of material fact and the Liquidity Provider Information does not omit, and will not omit, to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

SECTION 5.08. Ranking.

The obligations of the Liquidity Provider under the VRDP Shares Purchase Agreement rank pari passu with all other senior unsecured obligations of the Liquidity Provider (other than any such obligations preferred by statute or by operation of law).

SECTION 5.09. Related Party.

The Liquidity Provider is not related to the Fund within the meaning of Section 267(b) or Section 707(b) of the Code.

SECTION 5.10. Debt Rating.

The Liquidity Provider has a short-term debt ratings of “P-1” from Moody’s and “F1+” from Fitch.

**ARTICLE VI
COVENANTS OF THE FUND**

The Fund agrees that, so long as there is any Purchase Obligation under the VRDP Shares Purchase Agreement or any amount payable hereunder or under any VRDP Shares remains outstanding:

SECTION 6.01. Information.

Without limitation of the other provisions of this Agreement, the Fund will deliver, or cause the Tender and Paying Agent to deliver, to the Liquidity Provider:

- (a) upon receipt, a copy of any Notice of Tender and any Notice of Purchase;
- (b) within three (3) Business Days following the occurrence of a Mandatory Tender Event, a Mandatory Tender Notice;
- (c) within three (3) Business Days following the occurrence of a Mandatory Purchase Event, a Mandatory Purchase Notice;

- (d) as promptly as practicable after the preparation and filing thereof with the SEC, each annual and semi-annual report prepared with respect to the Fund to the Liquidity Provider and Holders of VRDP Shares, which delivery may be made by notice of the electronic availability of any such document on a public website;
- (e) notice of any change (including being put on Credit Watch or Watchlist), suspension or termination in or of the ratings on the VRDP Shares by any NRSRO then rating the VRDP Shares at the request of the Fund, or any change of an NRSRO rating the VRDP Shares at the request of the Fund, as promptly as practicable upon the occurrence thereof;
- (f) notice of any redemption or other repurchase of any or all of the VRDP Shares as provided in the Certificate of Designation;
- (g) notice of any proposed amendments to or waivers of any of the Related Documents at such time as the amendments or waivers are sent to other parties and in any event not less than ten (10) Business Days prior to any proposed amendment or waiver and copies of all actual amendments or waivers thereto within five (5) Business Days of being signed or, in each case, as provided in the relevant document;
- (h) notice of any missed, reduced or deferred dividend payment that remains uncured for more than three (3) Business Days as soon as reasonably practicable, but in no event later than one (1) Business Day after expiration of the grace period;
- (i) notice of insufficient deposit to provide for a properly noticed redemption as soon as reasonably practicable, but in no event later than two (2) Business Days after discovery of insufficient deposits;
- (j) notice of non-compliance with the Rating Agency Guidelines for more than five (5) Business Days or of the Minimum VRDP Shares Asset Coverage for more than five (5) Business Days as soon as reasonably practicable, but in no event later than one (1) Business Day after expiration of the grace period;
- (k) notice of the distribution of net capital gains in advance of the Rate Period that such income will or may be distributed, simultaneously with the Tender and Paying Agent providing such notice to Beneficial Owners or their Agent Members;
- (l) notice of any change to any investment adviser or sub-adviser of the Fund within two (2) Business Days after a resignation or a notice of removal has been sent by or to any investment adviser or sub-adviser; provided, however, that this clause shall not apply to personnel changes of the investment adviser or sub-adviser;
- (m) notice of any proxy solicitation as soon as reasonably practicable, but in no event later than five (5) Business Days after mailing thereof by the Fund's proxy agent;
- (n) notice one (1) Business Day after the occurrence thereof of (i) the failure of the Fund to pay the amount due on any senior securities or other debt at the time outstanding, and any period of grace or cure with respect thereto shall have expired; or (ii) the failure of the Fund to pay, or admitting in writing its inability to pay, its debts generally as they become due; or (iii) the failure of the Fund to pay accumulated dividends on any additional preferred stock ranking pari passu with the VRDP Shares, and any period of grace or cure with respect thereto shall have expired;

- (o) as soon as reasonably practicable upon the request of the Liquidity Provider, any Remarketing Materials required of the Fund pursuant to Section 2.03(b);
- (p) notice of a material breach of any representation, warranty or covenant of the Fund, or the Tender and Paying Agent or Remarketing Agent set forth herein or in any Related Documents as soon as reasonably practicable, but in no event later than five (5) days after knowledge of senior management of the Fund or the Investment Adviser thereof;
- (q) notice of any action, suit, proceeding, investigation or regulatory or business development, including any that is pending or threatened in writing against the Fund or other Person in any court or before any governmental authority (i) in any way contesting or affecting the validity of this Agreement or any Related Document to which the Fund is a party; or (ii) in which a final adverse decision or outcome would materially adversely affect the ability of the Fund to perform its obligations under this Agreement or any other Related Document to which the Fund is a party as promptly as practicable, but in no event, later than 10 Business Days after knowledge of senior management of the Fund or the Investment Adviser thereof;
- (r) copies of all certificates that the Fund has delivered to each NRSRO which is then rating the VRDP Shares at the request of the Fund that are set forth in the respective Rating Agency Guidelines regarding Minimum VRDP Shares Asset Coverage, the VRDP Shares Basic Maintenance Amount and all related calculations at such times and containing such information as set forth in the respective Rating Agency Guidelines as soon as reasonably practicable, but in no event, later than ten (10) Business Days after such certificates have been sent;
- (s) on an approximately bi-weekly basis, a preliminary report of portfolio holdings of the Fund as of the end of the two-week period, which shall be substantially in the form previously provided to the Liquidity Provider for due diligence purposes or as otherwise reasonably requested by the Liquidity Provider from time to time;
- (t) from time to time such additional information regarding the financial position, results of operations or prospects of the Fund as the Liquidity Provider may reasonably request including, without limitation, copies of all offering memorandums or other offering material with respect to the sale of any securities of the Fund as soon as reasonably practicable, but in no event later than ten (10) Business Days after a request;
- (u) upon receipt, a copy of a Notice of Revocation received by the Tender and Paying Agent from a Beneficial Owner or its Agent Member;
- (v) notice on each Business Day of the Fund's then-current Effective Leverage Ratio and Minimum VRDP Shares Asset Coverage as of the close of business on the immediately preceding Business Day by Electronic Means (which for this purpose, includes the posting on the Fund's website); and

(w) notice of all balances, cash and portfolio holdings in the Failed Remarketing Condition Liquidity Account on each Business Day on which there are any such amounts in such account.

SECTION 6.02. No Amendment or Certain Other Actions Without Consent of the Liquidity Provider.

Without the prior written consent of the Liquidity Provider, the Fund will not agree or consent to any amendment, supplement, modification or repeal of any Related Document to which it is a party (or to which its consent is required because such Related Document constitutes an organizational document of the Fund or otherwise) or provision therein, nor waive any provision thereof. In addition, the Fund will not, without the prior written consent of the Liquidity Provider, designate or approve of: (i) the designation of any Special Rate Period pursuant to Section 4(a) of Part I of the Certificate of Designation; (ii) any change to the Dividend Payment Dates or Dividend Periods in respect of any Minimum Rate Periods pursuant to Section 2(d)(i) of Part I of the Certificate of Designation; (iii) any change to the definition of Applicable Rate, Applicable Spread or Maximum Rate, as each is defined in the Definitions section of the Certificate of Designation; (iv) any change to the Dividend Payment Dates in respect of any Special Rate Period consisting of more than seven Rate Period Days pursuant to Section 2(d)(ii) of Part I of the Certificate of Designation; (v) the authorization, creation or issuance of any class or series of shares ranking prior to or on a parity with the VRDP Shares with respect to the payment of dividends or the distribution of assets upon dissolution, liquidation or winding up of the affairs of the Fund, or the authorization, creation or issuance of additional shares of any series of VRDP Shares in accordance with Section 5(c)(i)(a) of Part I of the Certificate of Designation; (vi) unless the VRDP Shares are redeemed in full prior to the conversion, the conversion of the Fund from a closed-end to an open-end investment company pursuant to Section 5(c)(ii)(A) of Part I of the Certificate of Designation; (vii) any plan of reorganization of the Fund pursuant to Section 5(c)(ii)(B) of Part I of the Certificate of Designation; (viii) the inclusion of Special Redemption Provisions in the Notice of Special Rate Period as described in Section 10(a)(ii) of Part I of the Certificate of Designation; (ix) the modification of the procedures for redemption as described in Section 10(j) of Part I of the Certificate of Designation; (x) any amendment to the Certificate of Designation in connection with the issuance of additional VRDP Shares or the issuance of an additional series of VRDP Shares pursuant to Section 13(a) of Part I of the Certificate of Designation; (xi) the selection of one or more Other Rating Agencies, which prior written consent shall be determined in the Liquidity Provider's good faith discretion; (xii) any change to the Fund's investment objectives, as described in the Offering Memorandum, requiring the approval of the holders of a "majority of the Outstanding" (as defined in the 1940 Act) Common Shares and VRDP Shares, voting as a separate class, which prior written consent shall be determined in the Liquidity Provider's good faith discretion; or (xiii) the appointment of a LIBOR Dealer (as defined in the Definitions section of the Certificate of Designation) from time to time.

SECTION 6.03. Notices and Consents Regarding Remarketing Agent and the Tender and Paying Agent.

The Fund shall not, without the Liquidity Provider's prior written consent (which consent shall not be unreasonably withheld), appoint any Person other than the Person defined herein as the Tender and Paying Agent to perform the duties of the Tender and Paying Agent or the Person identified in Schedule I to perform the duties of the Remarketing Agent, in each case in respect of the VRDP Shares. In addition, the Fund shall require in the Remarketing Agreement that the Remarketing Agent will notify the Liquidity Provider within one (1) Business Day by telephone or Electronic Means, if, at any time, the Remarketing Agent owns any VRDP Shares.

SECTION 6.04. Maintenance of Existence.

The Fund shall continue to maintain its existence as a voluntary association with transferable shares under the laws of the Commonwealth of Massachusetts, with full right and power to issue the VRDP Shares and to execute, deliver and perform its obligations under this Agreement and each other Related Document.

SECTION 6.05. Ratings.

The Fund will use its best efforts to maintain a long-term credit rating of the VRDP Shares of Aaa by Moody's and a long-term issue credit rating of the VRDP Shares of AAA by Fitch (or the highest equivalent ratings category for preferred stock furnished by at least two Rating Agencies).

SECTION 6.06. Tax Status of the Fund.

The Fund will qualify as a Regulated Investment Company within the meaning of Section 851(a) of the Code and the dividends made with respect to the VRDP Shares will qualify as tax exempt dividends to the extent designated by the Fund.

SECTION 6.07. Deposit Securities.

Except as otherwise provided with respect to a Failed Remarketing Condition—Purchased VRDP Shares Redemption in Section 6.21 below, if a Notice of Redemption of VRDP Shares has been provided in accordance with the Certificate of Designation, the Fund shall have available Deposit Securities or shall deposit with the Tender and Paying Agent, on the day such Notice of Redemption is provided to Holders, an aggregate amount of Deposit Securities with a Market Value sufficient to redeem the VRDP Shares that are the subject of such notice as provided in the Certificate of Designation.

SECTION 6.08. Payment Obligations.

The Fund shall promptly pay or cause to be paid all amounts payable by it hereunder and under the Tender and Paying Agent Agreement and the VRDP Shares Remarketing Agreement, according to the terms hereof or thereof, shall take such actions as may be necessary to include all payments hereunder which are subject to appropriation in its budget and make full appropriations related thereto, and shall duly perform each of its obligations under this Agreement, the Tender and Paying Agent Agreement and the VRDP Shares Remarketing Agreement. All payments of any sums due hereunder shall be made in the amounts required hereunder without any reduction or setoff, notwithstanding the assertion of any right of recoupment or setoff or of any counterclaim by the Fund.

SECTION 6.09. Compliance With Law.

The Fund shall comply with all laws, ordinances, orders, rules and regulations that may be applicable to it if the failure to comply could have a material adverse effect on the Fund's ability to pay when due and otherwise perform its obligations under this Agreement, any of the VRDP Shares, and the other Related Documents.

SECTION 6.10. Maintenance of Approvals: Filings, Etc.

The Fund shall at all times maintain in effect, renew and comply with all the terms and conditions of all consents, filings, licenses, approvals and authorizations as may be necessary under any applicable law or regulation for its execution, delivery and performance of this Agreement and the other Related Documents to which it is a party, except to the extent not doing so would not have a material adverse effect on the Fund's ability to pay when due and otherwise perform its obligations under this Agreement, any of the VRDP Shares or any other Related Documents.

SECTION 6.11. Inspection Rights.

The Fund shall, at any reasonable time and from time to time, upon at least five (5) Business Days advance written notice provided to the Fund, permit the Liquidity Provider or any agents or representatives thereof, at the Fund's expense, to examine the records and books of account related to the transactions contemplated by this Agreement, to visit its properties and to discuss its affairs, finances and accounts with any of its officers and independent accountants, provided, however, that the Fund shall not be required to pay for more than two inspections per fiscal year. The Fund will not withhold its authorization for its independent accountants to discuss its affairs, finances and accounts with the Liquidity Provider.

SECTION 6.12. Permitted Liens.

The Fund shall not create or incur or suffer to be incurred or to exist any lien on any other funds, accounts or other property held under the Charter, except (a) as permitted by the Charter or liens arising by operation of law for taxes, assessments or similar governmental charges or levies and liens arising in the ordinary course of business by operation of law and not securing indebtedness, in each case that (x) are not yet due and payable or (y) are being contested in good faith by appropriate proceedings and for which the Fund has set aside on its books adequate reserves with respect thereto in accordance with United States generally accepted accounting principles consistently applied and (b) except for any lien of the Custodian with respect to the payment of its fees or repayment for its advances, any lien that may be incurred in connection with the Fund's use of tender option bonds, futures and forward start swaps and other derivative transactions, and any lien that may be incurred in connection with the Fund's use of alternative forms of leverage for purposes of redeeming all of the Outstanding VRDP Shares, provided that the Fund delivers all of the proceeds raised from the alternative leverage to the Tender and Paying Agent for investment in Deposit Securities for the purpose of redeeming the VRDP Shares, issues a notice of redemption for the VRDP Shares on the day it receives such cash and redeems such VRDP Shares as soon as practicable in accordance with the terms of the Certificate of Designation.

SECTION 6.13. Litigation, Etc.

The Fund shall give prompt notice in writing to the Liquidity Provider of any litigation, administrative proceeding or business development which, if adversely determined, may materially adversely affect its business, properties or affairs and reasonably would impair the ability of the Fund to perform its obligations as set forth hereunder or under any of the Related Documents to which it is a party.

SECTION 6.14. 1940 Act Registration.

The Fund shall maintain its valid registration as a registered closed-end company under the 1940 Act in full force and effect.

SECTION 6.15. Purchase by Affiliates.

The Fund shall not permit or cause to be permitted the Investment Adviser, affiliated persons of the Investment Adviser (as defined in Section 2(a)(3) of the 1940 Act) (other than the Fund, in the case of a purchase of VRDP Shares which are to be cancelled within 10 days of purchase by the Fund), and Persons over which the Investment Adviser, or affiliated persons (as defined in Section 2(a)(3) of the 1940 Act) of the Investment Adviser, exercise discretionary investment or voting authority (other than the Fund, in the case of a purchase of VRDP Shares which are to be cancelled within 10 days of purchase by the Fund), to purchase VRDP Shares without the prior written consent of the Liquidity Provider, and any such purchases without such consent shall be void *ab initio*.

SECTION 6.16. Eligible Assets.

The Fund shall make investments only in Eligible Assets in accordance with the Fund's investment objectives and the investment policies set forth in the Offering Memorandum.

SECTION 6.17. Credit Quality.

Unless the Fund receives the prior written consent of the Liquidity Provider (such consent to be determined in the Liquidity Provider's good faith discretion), the Fund will invest its Managed Assets primarily in investment grade securities that, at the time of investment, are rated within the four highest grades (Baa or BBB or better) by at least one NRSRO or are unrated but judged to be of comparable quality by the Investment Adviser.

SECTION 6.18. Leverage Ratio.

Unless the Fund receives the prior written consent of the Liquidity Provider, the Fund's Effective Leverage Ratio shall not exceed 45%; provided, however in the event that the Fund's Effective Leverage Ratio exceeds 45% (i) solely by reason of fluctuations in the market value of its portfolio securities, in such event and to the extent the Effective Leverage Ratio exceeds 46% and (ii) in any event other than an event described in the immediately preceding clause (i), the Fund shall cause its Effective Leverage Ratio to be 45% or lower within ten (10) Business Days ("**Effective Leverage Ratio Cure Period**").

SECTION 6.19. Engagement of Remarketing Agent and Tender and Paying Agent.

The Fund will use its best efforts to engage at all times a Remarketing Agent that is a nationally recognized securities dealer with expertise in remarketing adjustable rate securities and a Tender and Paying Agent, as provided in Section 2.01 of this Agreement.

SECTION 6.20. Use of Proceeds.

The Fund shall use the gross proceeds from the sale of the VRDP Shares to redeem the Fund's outstanding auction market preferred shares ("AMPS"). The Fund shall give a notice of redemption of the Fund's outstanding AMPS within two Business Days following the Closing Date, or, if such date is impracticable pursuant to the governing documents of the Fund's outstanding AMPS, the earliest practicable date following the Closing Date pursuant to the governing documents of the Fund's outstanding AMPS, for redemption of the AMPS at the earliest practicable date pursuant to the governing documents of the Fund's outstanding AMPS, which date shall not be greater than 60 days from the Closing Date. If the foregoing requirements of the prior sentence are not complied with within 60 days of the Closing Date, the Fund shall redeem out of funds legally available therefore and otherwise in accordance with state law, the VRDP Shares as promptly as possible and pay the make-whole amount due as set forth in Section 2.05(b) and this Agreement and the other Related Documents to which the Liquidity Provider is a party to shall be terminated subject to the survival of any provision specified therein.

SECTION 6.21. Failed Remarketing Condition—Purchased VRDP Shares Redemption.

If the Liquidity Provider acquires any VRDP Shares pursuant to the Purchase Obligation and continues to be the beneficial owner for federal income tax purposes of such Purchased VRDP Shares for a continuous period of six months during which such Purchased VRDP Shares are tendered for Remarketing on each Business Day in accordance with the Related Documents but cannot be successfully remarketed (i.e., a Failed Remarketing Condition—Purchased VRDP Shares shall have occurred and be continuing for such period of time with respect to such Purchased VRDP Shares), the Fund shall effect a Failed Remarketing Condition—Purchased VRDP Shares Redemption out of funds legally available for the redemption of the Purchased VRDP Shares that are subject to the Failed Remarketing Condition—Purchased VRDP Shares Redemption and in accordance with any other applicable law restrictions that apply to redemptions of stock; provided, that, as of the date of redemption: (i) to the extent any VRDP Shares are Outstanding and held by Persons other than the Liquidity Provider, the Purchase Obligation of the Liquidity Provider whose VRDP Shares are subject to the Failed Remarketing Condition—Purchased VRDP Shares Redemption (i.e., Bank of America, N.A., or any successor or permitted assign) remains in effect to the extent required by, and in accordance with, the VRDP Shares Purchase Agreement with Bank of America, N.A., or any successor or permitted assign; and (ii) to the extent (a) any VRDP Shares are Outstanding and held by Persons other than the Liquidity Provider and (b) the Purchase Obligation of the Liquidity Provider whose VRDP Shares are subject to the Failed Remarketing Condition—Purchased VRDP Shares Redemption (i.e., Bank of America, N.A., or any successor or permitted assign) remains in effect to the extent required by, and in accordance with, the VRDP Shares Purchase Agreement with Bank of America, N.A., or any successor or permitted assign, the Liquidity Provider whose VRDP Shares are subject to the Failed Remarketing Condition—Purchased VRDP Shares Redemption (i.e., Bank of America, N.A., or any successor or permitted assign) shall have made written affirmation to the Fund not later than the Business Day immediately preceding the Redemption Date to the effect that the Liquidity Provider is in compliance with the Purchase Obligation in accordance with its terms. Notwithstanding the foregoing proviso, any failure or delay by the Liquidity Provider whose VRDP Shares are subject to the Failed Remarketing Condition—Purchased VRDP Shares Redemption (i.e., Bank of America, N.A., or any successor or permitted assign) to deliver the affirmation referred to in the foregoing proviso shall not relieve the Fund of its obligation to effectuate a Failed Remarketing Condition—Purchased VRDP Shares Redemption and shall only result in a delay by the Fund to effectuate a Failed Remarketing Condition—Purchased VRDP Shares Redemption until one (1) Business Day following the date that such Liquidity Provider delivers such affirmation. The six-month holding period for Purchased VRDP Shares acquired and continuously held as a result of a continuing Failed Remarketing Condition—Purchased VRDP Shares will be determined by the Fund on a first-in, first-out basis.

The Fund shall effect a Failed Remarketing Condition—Purchased VRDP Shares Redemption on the Redemption Date fixed by the Fund therefor, which date will not be later than three Business Days after the expiration of the six-month period, except that if the Fund does not have funds legally available for the redemption of all of the required number of Purchased VRDP Shares which are subject to the Failed Remarketing Condition—Purchased VRDP Shares Redemption or the Fund otherwise is unable as a result of applicable law restrictions that apply to redemptions of stock, in each case, as certified in writing by the Fund, to effect such redemption on or prior to three Business Days after the expiration of the six-month period, the Fund will redeem those Purchased VRDP Shares which it was unable to redeem on the earliest practicable date on which it is able to effect such redemption out of legally available funds and in accordance with applicable law restrictions that apply to redemptions of stock.

In order to further the purposes of IRS Private Letter Ruling 112002-11, notwithstanding anything expressed or implied to the contrary in this Agreement, nothing outside of this Section 6.21 or Section 6.23 shall confer upon the Liquidity Provider any rights to a redemption of Purchased VRDP Shares (other than the rights provided to Holders under the Certificate of Designation).

SECTION 6.22. Failed Remarketing Condition Liquidity Account.

(a) Upon the occurrence and continuance of a Failed Remarketing Condition—Purchased VRDP Shares with respect to any VRDP Shares, by the fifth Business Day following such occurrence, the Fund shall cause the Custodian to segregate, by means of appropriate identification on its books and records or otherwise in accordance with the Custodian’s normal procedures, from the other assets of the Fund (a “**Liquidity Account**”) Liquidity Account Investments with a Market Value equal to at least 110% of the Liquidation Preference of such Purchased VRDP Shares. If, while the Failed Remarketing Condition—Purchased VRDP Shares with respect to such Purchased VRDP Shares is continuing, the aggregate Market Value of the Liquidity Account Investments included in the Liquidity Account for such Purchased VRDP Shares as of the close of business on any Business Day is less than 110% of the Liquidation Preference of such Purchased VRDP Shares, then the Fund shall cause the Custodian and the Investment Adviser to take all such necessary actions, including segregating additional assets of the Fund as Liquidity Account Investments, so that the aggregate Market Value of the Liquidity Account Investments included in the Liquidity Account for such Purchased VRDP Shares is at least equal to 110% of the Liquidation Preference of such Purchased VRDP Shares not later than the close of business on the next succeeding Business Day. With respect to assets of the Fund segregated as Liquidity Account Investments, the Investment Adviser, on behalf of the Fund, shall be entitled to instruct the Custodian with a copy to the Liquidity Provider on any date to release any Liquidity Account Investments with respect to any Purchased VRDP Shares from such segregation and to substitute therefor other Liquidity Account Investments, so long as (i) the assets of the Fund segregated as Liquidity Account Investments with respect to such Purchased VRDP Shares at the close of business on such date have a Market Value equal to 110% of the Liquidation Preference of such Purchased VRDP Shares and (ii) the assets of the Fund designated and segregated as Deposit Securities at the close of business on such date have a Market Value equal to the Liquidity Requirement (if any) determined in accordance with subsection (b) below with respect to such Purchased VRDP Shares for such date. The Fund shall cause the Custodian not to permit any lien, security interest or encumbrance to be created or permitted to exist on or in respect of any Liquidity Account Investments included in the Liquidity Account for any Purchased VRDP Shares, other than liens, security interests or encumbrances arising by operation of law and any lien of the Custodian with respect to the payment of its fees or repayment for its advances. Notwithstanding anything expressed or implied to the contrary herein, the assets of the Liquidity Account shall continue to be assets of the Fund subject to the interests of all creditors and shareholders of the Fund.

(b) Subject to notice having been received as referred to in subsection (a) above, the Market Value of the Deposit Securities held in the Liquidity Account for any Purchased VRDP Shares, from and after the day (or, if such day is not a Business Day, the next succeeding Business Day) preceding the expiration of the six-month period for the Failed Remarketing Condition—Purchased VRDP Shares applicable to such Purchased VRDP Shares (which, for the avoidance of doubt, may result in multiple six month periods, each in respect of a Failed Remarketing Condition—Purchased VRDP Shares in respect of applicable Purchased VRDP Shares) specified in the table set forth below, shall not be less than the percentage of the Liquidation Preference for such Purchased VRDP Shares set forth below opposite such day (the “**Liquidity Requirement**”), but in all cases subject to the cure provisions of subsection (c) below:

Number of Days* Preceding the Six-Month Anniversary of the Liquidity Provider's Purchase	Value of Deposit Securities as Percentage of Liquidation Preference
150	20%
120	40%
90	60%
60	80%
30	100%

*Or if such day is not a Business Day, the next succeeding Business Day

(c) If the aggregate Market Value of the Deposit Securities included in the Liquidity Account for any Purchased VRDP Shares as of the close of business on any Business Day is less than the Liquidity Requirement in respect of such Purchased VRDP Shares for such Business Day, then the Fund shall cause the segregation of additional or substitute Deposit Securities in respect of the Liquidity Account for such Purchased VRDP Shares, so that the aggregate Market Value of the Deposit Securities included in the Liquidity Account for such Purchased VRDP Shares is at least equal to the Liquidity Requirement for such Purchased VRDP Shares not later than the close of business on the next succeeding Business Day.

(d) The Deposit Securities included in the Liquidity Account for any Purchased VRDP Shares may be applied by the Fund, in its discretion, towards payment of the Redemption Price for such Purchased VRDP Shares. Upon the earlier to occur of (i) the successful remarketing of the Purchased VRDP Shares or (ii) the deposit by the Fund with the Tender and Paying Agent with arrangements satisfactory to the Liquidity Provider of Deposit Securities having an initial combined Market Value sufficient to effect the redemption of such Purchased VRDP Shares on the Redemption Date for such Purchased VRDP Shares, the requirement of the Fund to maintain a Liquidity Account for such Purchased VRDP Shares as contemplated by this Section 6.22 shall lapse and be of no further force and effect.

SECTION 6.23. Maintenance of Minimum VRDP Shares Asset Coverage.

The Fund shall maintain Minimum VRDP Shares Asset Coverage of 225% or, if it does not cure a failure to maintain the Minimum VRDP Shares Asset Coverage by the Minimum VRDP Shares Asset Coverage Cure Date, the Fund shall immediately commence a redemption of VRDP Shares, as provided in Section 10(b)(i) of Part I of the Certificate of Designation, out of funds legally available for the redemption of VRDP Shares and in accordance with any other applicable law restrictions that apply to redemptions of stock.

SECTION 6.24. Issuance of Senior Securities.

For so long as any VRDP Shares are Outstanding, the Fund shall not issue or suffer to exist any other "senior security" (as defined in the 1940 Act as of the date hereof or, in the event such definition shall be amended, with such changes to the definition thereof as consented to by the Liquidity Provider) of the Fund, except as may be otherwise mutually agreed upon by the Fund and the Liquidity Provider or that may be issued in connection with the Fund's redemption of all of the Outstanding VRDP Shares, provided that the Fund delivers all of the proceeds raised from such issuance to the Tender and Paying Agent for investment in Deposit Securities for the purpose of redeeming the VRDP Shares, issues a notice of redemption for the VRDP Shares on the day it receives such cash and redeems such VRDP Shares as soon as practicable in accordance with the terms of the Certificate of Designation.

SECTION 6.25. Satisfaction of Conditions to Closing Date.

The Fund shall use commercially reasonable efforts to satisfy the conditions set forth in Section 3.01; provided, however, that nothing shall limit the Board from acting in accordance with their fiduciary duties with respect to any determination whether to issue VRDP Shares or otherwise.

**ARTICLE VII
COVENANTS OF THE LIQUIDITY PROVIDER**

The Liquidity Provider agrees that, from the Closing Date, so long as there is any commitment under the VRDP Shares Purchase Agreement or any amount payable under the VRDP Shares Purchase Agreement or under any VRDP Shares remains outstanding:

SECTION 7.01. Proceedings.

The Liquidity Provider will deliver to the Fund as promptly as practicable notice of any filed action, suit or proceeding or any commenced investigation actually known to the Liquidity Provider, including any that is pending against the Liquidity Provider in any court or before any governmental authority (i) in any way contesting or affecting the validity of this Agreement or the VRDP Share Purchase Agreement, including without limitation, the Purchase Obligation; or (ii) in which a reasonably expected final adverse decision would have the effect of making the Liquidity Provider unable to perform its obligations under this Agreement and the VRDP Shares Purchase Agreement, including, without limitation, the Purchase Obligation.

SECTION 7.02. Waiver.

In the event of a termination of the VRDP Shares Purchase Agreement as a result of a Termination Event, the Liquidity Provider agrees to waive its right with respect to Purchased VRDP Shares to exercise the Purchase Obligation provided by any subsequent Liquidity Provider; provided, however, that any Purchased VRDP Shares that are subsequently sold by the Liquidity Provider in a successful Remarketing shall at the time of such sale and thereafter have the full benefit of the Purchase Obligation of any subsequent Liquidity Provider; and, provided, further, that any Purchase Obligation of a subsequent Liquidity Provider with respect to the Purchased VRDP Shares shall be on parity with the Purchase Obligation of such Liquidity Provider with respect to all other Outstanding VRDP Shares.

SECTION 7.03. Payment Obligations.

The Liquidity Provider shall promptly pay or cause to be paid all amounts payable by it under the VRDP Shares Purchase Agreement according to the terms thereof. The obligation of the Liquidity Provider under the VRDP Shares Purchase Agreement shall be unconditional and irrevocable in accordance with the provisions thereof, without regard to, without limitation, any failure of the representations, warranties, agreements or performance of the Tender and Paying Agent set forth therein or of the Fund set forth or incorporated by reference in this Agreement or in any Related Documents.

SECTION 7.04. Compliance With Law.

The Liquidity Provider shall comply with all laws, ordinances, orders, rules and regulations that may be applicable to it if the failure to comply could have a material adverse effect on the Liquidity Provider's ability to perform when due the Purchase Obligation or its other obligations under the Related Documents.

SECTION 7.05. Maintenance of Approvals: Filings, Etc.

The Liquidity Provider shall at all times maintain in effect, renew and comply with all the terms and conditions of all consents, filings, licenses, approvals and authorizations as may be necessary under any applicable law or regulation for its execution, delivery and performance of this Agreement and the other Related Documents.

SECTION 7.06. No Amendment Without Consent of the Fund.

Without the prior written consent of the Fund, the Liquidity Provider will not agree or consent to any amendment, supplement, modification or repeal of the VRDP Shares Purchase Agreement, nor waive any provision thereof.

SECTION 7.07. Additional Information.

The Liquidity Provider will deliver or cause to be delivered to the Fund:

(a) as promptly as practicable after the preparation thereof, each publicly available financial statement prepared with respect to the Liquidity Provider, which delivery shall be deemed to have been made upon electronic availability to the public of any such document;

(b) as soon as reasonably practicable upon the request of the Fund, any Remarketing Materials required of the Liquidity Provider pursuant to Section 2.03(b); and

(c) as promptly as practicable after the purchase of VRDP Shares pursuant to a Failed Remarketing Condition or the sale of such Purchased VRDP Shares, written notice thereof (which notice shall also be provided to the Remarketing Agent in the case of any such sale other than through a Remarketing), specifying, as applicable, the commencement or conclusion of the Failed Remarketing Condition, the date of purchase or sale and number of VRDP Shares purchased or sold; provided, however, that any failure of the Liquidity Provider to deliver any of the foregoing notices shall not relieve the Fund of its obligation to adjust the Applicable Rate to the Maximum Rate and to pay any amounts due on the Purchased VRDP Shares.

If at any time the Liquidity Provider's bank holding company is not furnishing information to the SEC pursuant to Section 13 or 15(d) of the Exchange Act, in order to preserve the exemption for resales and transfers under Rule 144A, the Liquidity Provider shall furnish, or cause to be furnished, to Holders and Beneficial Owners of VRDP Shares and prospective purchasers of VRDP Shares, upon request, information with respect to the Liquidity Provider satisfying the requirements of subsection (d)(4) of Rule 144A.

SECTION 7.08. Obligation to Execute Related Documents.

The Liquidity Provider shall execute each of the Related Documents to which it is a party if, on the Closing Date, to the extent (a) such Related Documents have been delivered to the Liquidity Provider (i) in the forms attached hereto as Exhibit E or (ii) with such changes as agreed to by the Liquidity Provider in its sole discretion in good faith and (b) the conditions specified in Sections 3.01 have been satisfied.

**ARTICLE VIII
MISCELLANEOUS**

SECTION 8.01. Notices.

All notices, requests and other communications to any party hereunder shall be in writing (including telecopy, electronic mail or similar writing), except in the case of notices and other communications permitted to be given by telephone, and shall be given to such party at its address or telecopy number or email address set forth below or such other address or telecopy number or email address as such party may hereafter specify for the purpose by notice to the other parties. Each such notice, request or other communication shall be effective (i) if given by mail, upon receipt, or (ii) if given by any other means, when delivered at the address specified in this Section; provided that notices to the Liquidity Provider under Section 6.01 shall not be effective until received in writing; except as otherwise specified, notices under Section 6.01 may be given by telephone to the Liquidity Provider at the telephone numbers listed below (or such other telephone numbers as may be designated by the Liquidity Provider, by written notice to the Fund, to receive such notice), immediately confirmed in writing, including by fax or electronic mail. The notice address for each party is specified below:

- (a) if to the Fund:
BlackRock MuniHoldings Investment Quality Fund
100 Bellevue Parkway
Wilmington, DE 19808-3700
Attention: Accounting Custody
Telephone: (302) 797-6179
Telecopy: (302) 797-2455
Email: Accounting.Custody@blackrock.com

(b) if to the Liquidity Provider:
Bank of America, N.A.
One Bryant Park
1111 Avenue of the Americas, 9th Floor
New York, NY 10036
Attention: James Nacos/Thomas Visone
Telephone: (212) 449-7358 / (646) 743-1408
Telecopy: (646) 736-7286
Email: DG.Pfloats@baml.com; james.nacos@baml.com; Thomas.visone@baml.com

Wire Instructions:
Account with bank:
BANK OF AMERICA, NEW YORK
ABA: 026009593
FOR: BANK OF AMERICA CHARLOTTE GLOBAL DERIVATIVE SETTLEMENTS
Acct #: 6550219386
Ref: BlackRock VRDP Transactions

SECTION 8.02. No Waivers.

(a) The obligations of the Fund hereunder shall not in any way be modified or limited by reference to any other document, instrument or agreement (including, without limitation, the VRDP Shares or any other Related Document). The rights of the Liquidity Provider hereunder are separate from and in addition to any rights that any Holder or Beneficial Owner of any VRDP Shares may have under the terms of such VRDP Shares or any Related Document or otherwise.

(b) No failure or delay by the Fund or the Liquidity Provider in exercising any right, power or privilege hereunder or under any other Related Document or the VRDP Shares shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. No failure or delay by the Fund or the Liquidity Provider in exercising any right, power or privilege under or in respect of the VRDP Shares or any other Related Document shall affect the rights, powers or privileges of the Fund or the Liquidity Provider hereunder or thereunder or shall operate as a limitation or waiver thereof. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 8.03. Expenses and Indemnification.

(a) The Fund shall upon demand either, as the Liquidity Provider may require, pay in the first instance or reimburse the Liquidity Provider (to the extent that payments for the following items are not made under the other provisions hereof) for (i) the reasonable fees, expenses, and disbursement of the Liquidity Provider (including reasonable fees and costs of outside counsel) incurred by the Liquidity Provider in connection with the execution, delivery and performance of this Agreement and the other Related Documents and other instruments mentioned herein, and (ii) all reasonable out-of-pocket expenses (including reasonable fees and costs of outside counsel) incurred by the Liquidity Provider in connection with the enforcement of or preservation of rights under this Agreement or the other Related Documents. The Fund shall not be responsible under clause (ii) above for the fees and costs of more than one law firm in any one jurisdiction with respect to any one proceeding or set of related proceedings for the Liquidity Provider, unless the Liquidity Provider shall have concluded that there are legal defenses available to it that are different from or additional to those available to the Fund.

(b) The Fund agrees to indemnify and hold harmless the Liquidity Provider and each other Indemnified Person of the Liquidity Provider from and against any losses, claims, damages, liabilities or expenses incurred by them (including reasonable fees and disbursements of outside counsel) which (i) are related to or arise out of (A) any untrue statements or alleged untrue statements of a material fact made or any statements of a material fact omitted or alleged to have been omitted to be made in the Offering Memorandum or any of the Remarketing Materials and required to be stated therein or necessary to make the statement therein, in light of the circumstances in which they were made, not materially misleading and excluding any statement of omissions related to the Liquidity Provider Information (including in each case any documents incorporated by reference therein), (B) actions taken or omitted to be taken by the Fund or its affiliates in connection with the transactions contemplated by this Agreement, the VRDP Shares Purchase Agreement, the Tender and Paying Agent Agreement, the VRDP Shares Remarketing Agreement, the Placement Agreement or any other Related Document, (C) actions taken or omitted to be taken by the Liquidity Provider or another Indemnified Person of the Liquidity Provider at the indemnifying party's direction or with the indemnifying party's consent in conformity with the indemnifying party's actions or omissions or (ii) are otherwise related to or arise out of this Agreement and the Related Documents, including modifications or future additions to this Agreement and any other Related Documents, any lawsuits by shareholders of the Fund and any violation of any applicable law by the Fund and to promptly reimburse the Liquidity Provider or any other Indemnified Person of the Liquidity Provider for all expenses (including reasonable fees and disbursements of outside counsel) as incurred by such Indemnified Person in connection with investigating, preparing or defending any such action or claim, whether or not in connection with pending or threatened litigation in which any such Indemnified Person is a party. The indemnifying party will not, however, be responsible for any losses, claims, damages, liabilities or expenses of any such Indemnified Person pursuant to clause (ii) of the preceding sentence to the extent the same resulted from the gross negligence, bad faith or willful misconduct of such Indemnified Person or to the extent the same resulted from any failure by the Liquidity Provider to perform the Purchase Obligation in accordance with the terms of the VRDP Shares Purchase Agreement, which failure has not been the proximate result of, or caused by, a breach by the Fund of its obligations under this Agreement, as determined in a non-appealable final judgment by a court of competent jurisdiction.

(c) The indemnifying party also agrees that if any indemnification sought by an Indemnified Person pursuant to this Agreement is unavailable or insufficient, for any reason, to hold harmless the Indemnified Persons of the other party in respect of any losses, claims, damages or liabilities (or actions in respect thereof), then the indemnifying party, in order to provide for just and equitable contribution, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, liabilities, damages and expenses (or actions in respect thereof) in such proportion as is appropriate to reflect (i) the relative benefits received by the Fund on the one hand and the Liquidity Provider on the other hand from the actual or proposed transactions giving rise to or contemplated by this Agreement or (ii) if the allocation provided by the foregoing clause (i) is not permitted by applicable law, not only such relative benefits but also the relative fault of the Fund on the one hand and the Liquidity Provider on the other, in connection with the statements or omissions or alleged statements or omissions that resulted in such losses, claims, damages, liabilities or expenses (or actions in respect thereof), as well as any other relevant equitable considerations; provided that in any event the aggregate contribution of the Liquidity Provider and its Indemnified Persons to all losses, claims, damages, liabilities and expenses with respect to which contributions are available hereunder will not exceed the amount of fees actually received by the Liquidity Provider from the Fund pursuant to the proposed transactions giving rise to this Agreement (unless such losses, claims, damages, liabilities or expenses were caused by the gross negligence, bad faith or willful misconduct of the Liquidity Provider or one or more of its Indemnified Persons. For purposes of determining the relative benefits to the Fund on the one hand, and the Liquidity Provider on the other, under the proposed transactions giving rise to or contemplated by this Agreement, such benefits shall be deemed to be in the same proportion as (i) the total value received or proposed to be received by the Fund pursuant to the transactions, whether or not consummated, for which the Liquidity Provider is providing services as provided in this Agreement bears to (ii) the fees paid or proposed to be paid by the Fund or on the Fund's behalf to the Liquidity Provider in connection with the proposed transactions giving rise to or contemplated by this Agreement. No person found liable for a fraudulent misrepresentation shall be entitled to contribution from any person who is not also found liable for such fraudulent misrepresentation. The indemnity, reimbursement and contribution obligations under this Agreement shall be in addition to any rights that any Indemnified Person may have at common law or otherwise.

(d) If any action, suit, proceeding or investigation is commenced, as to which an Indemnified Person proposes to demand indemnification, it shall notify the indemnifying party with reasonable promptness; provided, however, that any failure by such Indemnified Person to notify the indemnifying party shall not relieve the indemnifying party from its obligations hereunder (except to the extent that the indemnifying party is materially prejudiced by such failure to promptly notify). The indemnifying party shall be entitled to assume the defense of any such action, suit, proceeding or investigation, including the employment of counsel reasonably satisfactory to the Indemnified Person. The Indemnified Person shall have the right to counsel of its own choice to represent it, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the indemnifying party has failed promptly to assume the defense and employ counsel reasonably satisfactory to the Indemnified Person in accordance with the preceding sentence or (ii) the Indemnified Person shall have been advised by counsel that there exist actual or potential conflicting interests between the indemnifying party and such Indemnified Person, including situations in which one or more legal defenses may be available to such Indemnified Person that are different from or additional to those available to the indemnifying party; provided, however, that the indemnifying party shall not, in connection with any one such action or proceeding or separate but substantially similar actions or proceedings arising out of the same general allegations be liable for fees and expenses of more than one separate firm of attorneys at any time for all Indemnified Persons of the other party; and such counsel shall, to the extent consistent with its professional responsibilities, cooperate with the indemnifying party and any counsel designated by the indemnifying party.

Each party further agrees that it will not, without the prior written consent of the other party, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which indemnification may be sought hereunder (whether or not any Indemnified Person is an actual or potential party to such claim, action, suit or proceeding) unless such settlement, compromise or consent includes an unconditional release of each other Indemnified Person from all liability and obligations arising therefrom. The Fund further agrees that neither the Liquidity Provider, nor any of its affiliates, nor any directors, officers, partners, employees, agents, representatives or control persons of the Liquidity Provider or any of its affiliates shall have any liability to the Fund arising out of or in connection with the proposed transactions giving rise to or contemplated by this Agreement except for such liability for losses, claims, damages, liabilities or expenses to the extent they have resulted from the Liquidity Provider's gross negligence, bad faith or willful misconduct. No party shall be responsible or liable to the other party or any other person for consequential, special or punitive damages which may be alleged as a result of this Agreement.

(c) Nothing in this Section is intended to limit any party's obligations contained in other parts of this Agreement or the VRDP Shares. Neither the Fund nor the Liquidity Provider will refer to the other in any materials used in marketing the VRDP Shares other than the Offering Memorandum without the prior written consent of the other.

SECTION 8.04. Amendments and Waivers.

Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by the Fund and the Liquidity Provider.

SECTION 8.05. Successors and Assigns.

The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Neither party hereto may assign or otherwise transfer any of its rights under this Agreement, by operation of law or otherwise, without the prior written consent of the other party. Any assignment without such prior written consent shall be void.

SECTION 8.06. Term of this Agreement.

(a) Subject to subsections (b) and (c) below, this Agreement shall terminate on the later of (i) the earliest of (x) the Scheduled Termination Date (as such date may be extended in accordance with Section 2.02 hereof) and (y) the reduction of the Available Commitment of the Liquidity Provider to zero; and (ii) the date of payment of all sums payable by the Liquidity Provider pursuant to the VRDP Shares Purchase Agreement (irrespective of the Liquidity Provider's obligations under Section 2.05 of the VRDP Shares Purchase Agreement); and notwithstanding any termination of this Agreement, Section 2.05 (with respect to previously accrued but unpaid fees), Section 6.01 (p), (q) and (s), Section 6.02, Section 6.05, Section 6.06, Section 6.08, Section 6.14, Section 6.16, Section 6.17, Section 6.18, Section 6.19, Section 6.20, Section 6.21, Section 6.22, Section 6.23 and Section 6.24 of Article VI (Covenants of the Fund), Section 8.03 (Expenses and Indemnification), Section 8.07 (Governing Law) and Section 8.08 (Waiver of Jury Trial) of this Article VIII (Miscellaneous) shall remain in full force and effect; provided that the foregoing sections of Article VI (Covenants of the Fund) shall survive termination of this Agreement only until such time that the Liquidity Provider no longer owns any VRDP Shares purchased pursuant to the Purchase Obligation and Section 8.15 shall only remain in full force and effect for one (1) year after termination of this Agreement.

(b) Notwithstanding the foregoing, (i) the Fund may terminate this Agreement prior to the Scheduled Termination Date (as such date may be extended in accordance with Section 2.02 hereof) in accordance with this Section 8.06(b) as of the Liquidity Provider Ratings Event Termination Date specified by notice in writing to the Liquidity Provider following the occurrence of a Liquidity Provider Ratings Event or (ii) this Agreement shall terminate prior to the Scheduled Termination Date (as such date may be extended in accordance with Section 2.02 hereof) as of a Related Party Termination Date upon the occurrence of a Related Party Termination Event; provided that, notwithstanding any termination of this Agreement, Section 6.01 (p), (q) and (s), Section 6.02, Section 6.05, Section 6.06, Section 6.08, Section 6.14, Section 6.16, Section 6.17, Section 6.18, Section 6.19, Section 6.20, Section 6.21, Section 6.22, Section 6.23 and Section 6.24 of Article VI (Covenants of the Fund), Section 8.03 (Expenses and Indemnification), Section 8.07 (Governing Law) and Section 8.08 (Waiver of Jury Trial) of this Article VIII (Miscellaneous) shall remain in full force and effect; provided that the foregoing sections of Article VI (Covenants of the Fund) shall survive termination of this Agreement only until such time that the Liquidity Provider no longer owns any VRDP Shares purchased pursuant to the Purchase Obligation and Section 8.15 shall only remain in full force and effect for one (1) year after termination of this Agreement.

(c) No expiration or termination of this Agreement shall be effective, so long as VRDP Shares are Outstanding, until the completion of a Mandatory Purchase in respect thereof, if then required under the Certificate of Designation, including the purchase by the Liquidity Provider of any VRDP Shares required to be purchased by it as a result thereof pursuant to the VRDP Shares Purchase Agreement.

SECTION 8.07. Governing Law.

This Agreement shall be construed in accordance with and governed by the laws of the State of New York, without regard to conflicts of laws principles that would require the application of the laws of another jurisdiction.

THE PARTIES HERETO HEREBY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF THE FEDERAL AND NEW YORK STATE COURTS LOCATED IN THE CITY OF NEW YORK AND ANY APPELLATE COURT FROM ANY THEREOF IN CONNECTION WITH ANY DISPUTE RELATED TO THIS AGREEMENT OR ANY MATTERS CONTEMPLATED HEREBY.

SECTION 8.08. Waiver of Jury Trial.

The Fund and the Liquidity Provider hereby waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Agreement.

SECTION 8.09. 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 8.10. Beneficiaries.

This Agreement is not intended and shall not be construed to confer upon any Person other than the parties hereto and their successors and permitted assigns any rights or remedies hereunder.

SECTION 8.11. Entire Agreement.

This Agreement shall constitute the entire agreement and understanding between the parties hereto with respect to the matters set forth herein and shall supersede any and all prior agreements and understandings relating to the subject matter hereof.

SECTION 8.12. Inconsistency Between Documents.

In the event of any inconsistency between this Agreement and the Certificate of Designation, including with respect to the taking of any action or the consent required for any such action, this Agreement shall govern.

SECTION 8.13. Regulatory Matters.

Each party hereto acknowledges and agrees that it shall not be a condition precedent to the Purchase Obligation that any seller of VRDP Shares demonstrate or account for any loss.

SECTION 8.14. Nonpetition Covenant.

Notwithstanding any prior termination of this Agreement, Bank of America, N.A., solely in its capacity as Liquidity Provider, hereby covenants and agrees that it shall not, prior to the date which is one year and one day after the redemption and the payment in full of the VRDP Shares and all accumulated dividends, petition or otherwise invoke the process of any court or government authority for the purpose of commencing a case against the Fund under any federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Fund or any substantial part of the property of the Fund; provided, however, that nothing in this provision shall preclude, or be deemed to stop, the Liquidity Provider from taking any action prior to the expiration of the aforementioned one year and one day period in (x) any case or proceeding voluntarily filed or commenced by the Fund, (y) any involuntary insolvency proceeding filed or commenced against the Fund by a Person other than the Liquidity Provider, or (z) with respect to its rights or preferences as a Beneficial Owner or Holder of VRDP Shares.

SECTION 8.15. Confidentiality.

All information, whether oral, written, via computer disk or electronic media or otherwise, to which it is given access or is made available to it by the other party (including by such other party's agents and representatives) in connection with the transactions contemplated by this Agreement or any other Related Document is referred to as "**Confidential Information**". Confidential Information shall include, without limitation, all technology, processes, trade secrets, contracts, proprietary information, portfolio information, historical and projected financial information, operating data and organizational cost structures, strategic or management plans, customer information and customer lists, whether received before or after the date hereof. Confidential Information shall also include information of or relating to any parent, subsidiary or affiliate of a party.

Each party agrees to hold all Confidential Information in confidence, that it will not disclose any Confidential Information to any person, other than directors, trustees, officers, employees, agents or representatives (including those of a legal nature) (collectively, the "**Representatives**") who have a need to know such information in connection with the transactions contemplated by this Agreement or any other Related Document (the "**Transactions**"), and that it will not use any such Confidential Information for purposes other than in connection with the Transactions. For the avoidance of doubt, any Ratings Agency rating the VRDP Shares at the request of the Fund shall not be deemed to be a Representative for purposes of this Section 8.15 and will not be subject to the obligations of this Section 8.15. Each party agrees to inform its Representatives of the confidential and valuable nature of the Confidential Information and of its obligations under this Section 8.15. Each party shall be responsible and liable for any breach of this Section 8.15 by its Representatives. Each party agrees to use reasonable care and implement reasonable controls, but in all events at least the same degree of care and controls that it uses to protect its own confidential and proprietary information of similar importance, to prevent the unauthorized use, disclosure or availability of Confidential Information.

It is understood and agreed that no information shall be within the protection of this Section 8.15 where such information: (a) is or becomes publicly available through no fault of either party or its Representatives, (b) is authorized to be released by the disclosing party, (c) is rightly obtained from a third party, who, to the receiving party's knowledge, is not under obligation of confidentiality, (d) is required to be disclosed as a matter of law or legal process or (e) is made available to any regulatory body. Furthermore, the obligations of confidentiality set out in this Section 8.15 shall not extend to Confidential Information that is disclosed to Holders or Beneficial Owners or potential Holders or Beneficial Owners, in each case in their capacity as such, in the Remarketing Memorandum or the Remarketing Materials, in notices to Holders or Beneficial Owners pursuant to one or more of the Related Documents or pursuant to the Fund's or the Liquidity Provider's informational obligations under Rule 144A(d)(4) or other reporting obligation of the Securities and Exchange Commission.

In the event that either party to this Agreement or any of its Representatives become legally compelled (by deposition, interrogatory, request for documents, subpoena, regulatory request or demand, civil investigative demand or similar process ("**Legal Process**") to disclose any of the Confidential Information, such party may disclose such Confidential Information to the extent legally required; provided, however, that the Liquidity Provider shall, to the extent permitted by law, rule and regulation and reasonably practicable, notify the Fund prior to such disclosure by the Liquidity Provider so that the Fund may seek, at the Fund's expense, a protective order or other appropriate remedy; provided, further, that the Liquidity Provider will have no liability to the Fund for failure to provide such notice. In the absence of such protective order, other remedy or waiver by the Fund, the Liquidity Provider may disclose such Confidential Information to the extent legally required. Notwithstanding anything to the contrary contained herein, either party and its affiliates may disclose Confidential Information, without notice to the other party, to any governmental agency, regulatory authority or self-regulatory authority (including, without limitation, bank and securities examiners) having or claiming to have authority to regulate or oversee any aspect of the party's business or that of its affiliates in connection with the exercise of such authority or claimed authority. Nothing herein shall require a party to fail to honor any Legal Process on a timely basis.

In the event that this Agreement is terminated, or at any time upon request, each party agrees to return promptly or destroy all copies of the Confidential Information without retaining any copies thereof and to destroy all copies of any analyses, compilations, studies or other documents prepared by it or for its use containing or reflecting any Confidential Information. Provided however each party will be permitted to retain all or any portion of the Confidential Information to comply with its governing laws, regulations or internal policies. Such Confidential Information shall remain subject to the confidentiality obligations set forth in this Section 8.15.

Inasmuch as any breach of this Section 8.15 may result in immediate and irreparable injury, it is recognized and agreed that each party shall be entitled to equitable relief, including injunctive relief and specific performance, in addition to all other remedies available at law. Further, all obligations, rights and remedies hereunder shall survive any return or destruction of the Confidential Information and any termination of this Agreement; provided, however, that all obligations, rights and remedies hereunder shall survive the termination of this Agreement and remain in full force and effect for one (1) year after the termination of this Agreement.

It is further understood and agreed that no failure or delay by either party in exercising any right, power or privilege under this Section 8.15 shall operate as a waiver hereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege under this Section 8.15.

SECTION 8.16. General.

For purposes of any provision of this Agreement relating to a "distribution" as defined in section 1.40 of the Massachusetts Business Corporation Act (M.G.L. ch. 156D) (the "**Massachusetts Business Corporation Act**"), including, without limitation, Sections 6.20, 6.21 and 6.23 of this Agreement, applicable law shall also include section 6.40 of the Massachusetts Business Corporation Act as if the Fund were a Massachusetts corporation subject to the Massachusetts Business Corporation Act. Accordingly, and without limiting the scope of the preceding sentence, any such distribution, including without limitation, any redemption of VRDP Shares by the Fund pursuant to Sections 6.20, 6.21 or 6.23 shall also be subject to the restrictions and limitations of section 6.40 of the Massachusetts Business Corporation Act as if the Fund were a Massachusetts corporation subject to the Massachusetts Business Corporation Act.

SECTION 8.17. Personal Liability.

This Agreement is executed by or on behalf of the trustees of the Fund solely in their capacity as such trustees, and shall not constitute their personal obligation either jointly or severally in their individual capacities. In accordance with the Charter, no trustee, shareholder, officer, employee or agent of the Fund shall be held to any personal liability, nor shall resort be had to their private property for the satisfaction of any obligation or claim or otherwise under this Agreement and the Fund shall be solely liable therefor; all parties hereto shall look solely to the Fund property for the payment of any claim, or the performance of any obligation, hereunder."

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

BLACKROCK MUNIHOLDINGS
INVESTMENT QUALITY FUND

By: /s/ Brendan Kyne
Name: Brendan Kyne
Title: Vice President

BANK OF AMERICA, N.A.

By: /s/ James Nacos
Name: James Nacos
Title: Authorized Signatory

SCHEDULE I

Description of VRDP Shares: 2,746 Series W-7 Variable Rate Demand Preferred Shares, par value \$0.10 per share, with a liquidation preference of \$100,000 per share.

Initial Remarketing Agent: Merrill Lynch, Pierce, Fenner & Smith Incorporated

SCHEDULE II

LITIGATION

[On File]

Schedule II - 1

**FORMS OF OPINIONS OF COUNSEL FOR THE FUND
AND THE INVESTMENT ADVISER**

[On File]

Exhibit A - 1

**FORMS OF OPINIONS OF COUNSEL FOR THE LIQUIDITY PROVIDER
AND THE REMARKETING AGENT**

[On File]

Exhibit B - 1

**FORM OF OPINION OF COUNSEL FOR
THE TENDER AND PAYING AGENT**

[On File]

Exhibit C - 1

ELIGIBLE ASSETS

On the Closing Date and at all times thereafter that the VRDP Shares Purchase Agreement is outstanding:

1. All assets in the Fund consist of "Eligible Assets", defined to consist only of the following as of the time of investment:
 - A. Debt obligations
 - i. Debt obligations issued by a State, the District of Columbia or political subdivision thereof, including, but not limited to, limited obligation bonds, revenue bonds, and obligations that satisfy the requirements of Section 142(b)(1) of the Code issued by or on behalf of one or more States, or any public agency or authority of any State, or political subdivision of a State.
 - ii. Debt obligations issued by a U.S. Territory or political subdivision thereof, including limited obligation bonds, revenue bonds, and obligations that satisfy the requirements of section 142(b)(1) of the Code issued by or on behalf of one or more U.S. Territories, or any public agency or authority of any U.S. Territory, or political subdivision of a U.S. Territory, which are rated in one of the four highest rating categories ("investment grade") by two or more NRSROs, or by one NRSRO if rated by only one NRSRO, or by one NRSRO, in the case of debt obligations that are Defeased Securities, or are determined by the Investment Adviser in good faith application of its internal credit rating standards to be the credit equivalent of investment grade.
 - iii. Debt obligations of the United States.
 - iv. Debt obligations issued, insured, or guaranteed by a department or an agency of the U.S. Government, if the obligation, insurance, or guarantee commits the full faith and credit of the United States for the repayment of the obligation.
 - v. Debt obligations of the Washington Metropolitan Area Transit Authority guaranteed by the Secretary of Transportation under Section 9 of the National Capital Transportation Act of 1969.
 - vi. Debt obligations of the Federal Home Loan Banks.
 - vii. Debt obligations, participations or other instruments of or issued by the Federal National Mortgage Association or the Government National Mortgage Association.

- viii. Debt obligations which are or ever have been sold by the Federal Home Loan Mortgage Corporation pursuant to sections 305 or 306 of the Federal Home Loan Mortgage Corporation Act.
- ix. Debt obligations of any agency named in 12 U.S.C. § 24(Seventh) as eligible to issue obligations that a national bank may underwrite, deal in, purchase and sell for the bank's own account, including qualified Canadian government obligations.
- x. Debt obligations of issuers other than those specified in (i) through (ix) above that are rated in one of the three highest rating categories by two or more NRSROs, or by one NRSRO if the security has been rated by only one NRSRO and that are "marketable." For these purposes, an obligation is "marketable" if:
 - it is registered under the Securities Act;
 - it is offered and sold pursuant to Securities and Exchange Commission Rule 144A; 17 CFR 230.144A; or
 - it can be sold with reasonable promptness at a price that corresponds reasonably to its fair value.
- xi. Certificates or other securities evidencing ownership interests in a municipal bond trust structure (generally referred to as a tender option bond structure) that invests in (a) debt obligations of the types described in (i) or (ii) above or (b) depository receipts reflecting ownership interests in accounts holding debt obligations of the types described in (i) or (ii) above which with respect to both "a" and "b" are rated, or credit enhanced by a third party that is rated, in one of the three highest rating categories by two or more NRSROs, or by one NRSRO if such debt obligations or depository receipts or third party credit enhancement providers have been rated by only one NRSRO.

An asset shall not lose its status as an Eligible Asset solely by virtue of the fact that:

- it provides for repayment of principal and interest in any form including fixed and floating rate, zero interest, capital appreciation, discount, leases, and payment in kind; or
- it is for long-term or short-term financing purposes.

B. Derivatives

- i. Interest rate derivatives;

- ii. Swaps, futures, forwards, structured notes, options and swaptions related to Eligible Assets or on an index related to Eligible Assets; or
- iii. Credit default swaps.

C. Other Assets

- i. Shares of other investment companies (open- or closed-end funds and ETFs) that invest at least 80% of their assets in debt obligations rated at least "BBB-" and "Baa3", so long as such investments in the aggregate do not constitute more than 5% of the Fund's Managed Assets as of the time of investment.
- ii. Cash.
- iii. Repurchase agreements on assets described in A above.
- iv. Taxable fixed-income securities, for the purpose of acquiring control of an issuer whose municipal bonds (a) the Fund already owns and (b) have deteriorated or are expected shortly to deteriorate that such investment should enable the Fund to better maximize its existing investment in such issuer, provided that the Fund may invest no more than 0.5% of its Managed Assets in such securities.

D. Other assets, upon written agreement of the Liquidity Provider that such assets are eligible for purchase by the Fund.

- 2. The Investment Adviser will provide the following information at the Closing Date (for purposes of the information to be provided at the Closing Date, such information shall be as of a date no earlier than two days prior to the Closing Date), and within 10 days after the end of every calendar quarter thereafter for every debt security in the fund:
 - i. The identity of each portfolio holding (including the name of the issuer and obligor and the security and CUSIP Number);
 - ii. The par value for each portfolio holding; and
 - iii. The identity of any portfolio holding that is in payment default.
- 3. The Fund will purchase Eligible Assets (primarily Municipal Securities) for its portfolio based upon the Investment Adviser's assessment of an asset's relative value in terms of current yield, price, credit quality, and future prospects; and will monitor the continued creditworthiness of its portfolio investments and analyze economic, political and demographic trends affecting the markets for such assets.
- 4. The Investment Adviser has instituted policies and procedures that it believes are sufficient to ensure that the Fund and it comply with the representations, warranties and covenants contained in this subsection of the Agreement.

5. The Fund will, upon request, provide the Liquidity Provider and its internal and external auditors and inspectors as the Liquidity Provider may from time to time designate, with all reasonable assistance and access to information and records of the Fund relevant to the Fund's compliance with and performance of the representations, warranties and covenants terms of this subsection of the Agreement, but only for the purposes of internal and external audit.
6. No Eligible Asset described in Paragraph 1(A) above that is held by the Fund was in payment default at the time of it was acquired by the Fund.

FORM OF RELATED DOCUMENTS

Exhibit E - 1

FORM OF VRDP SHARES PURCHASE AGREEMENT

[See Exhibit 99.4]

Exhibit E-1 - 1

FORM OF VRDP SHARES REMARKETING AGREEMENT

[See Exhibit 99.11]

Exhibit E-2 - 1

FORM OF TENDER AND PAYING AGENT AGREEMENT

[On File]

Exhibit E-3 - 1

FORM OF PLACEMENT AGREEMENT

[On File]

Exhibit E-4 - 1

FORM OF CERTIFICATE OF DESIGNATION

[On File]

Exhibit E-5 - 1

FORM OF VRDP SHARES

[On File]

Request for Extension of Scheduled Termination Date and
Agreement to Extend the VRDP Shares Fee Agreement
Dated as of March 29, 2012

1. In accordance with Section 2.02 of the VRDP Shares Fee Agreement, dated as of June 30, 2011 (the "Original VRDP Shares Fee Agreement"), between BlackRock MuniHoldings Investment Quality Fund, as issuer (the "Fund") and Bank of America, N.A., as liquidity provider (the "Liquidity Provider"), the Fund hereby requests an extension of the Scheduled Termination Date of the Original VRDP Shares Fee Agreement and the VRDP Shares Purchase Agreement to June 26, 2013, effective upon acceptance of this request by the Liquidity Provider, as evidenced by (i) the Fund delivering to the Liquidity Provider a copy hereof signed by the Fund and (ii) the Liquidity Provider signing and returning to the Fund a copy hereof, whereupon this Request for Extension of Scheduled Termination Date and Agreement to Extend VRDP Shares Fee Agreement (this "Agreement") shall be a binding agreement of the parties hereto, and the extension of both the Original VRDP Shares Fee Agreement (as it may be further amended) and VRDP Shares Purchase Agreement (as it may be further amended) shall become effective without further action by any party.
2. Upon effectiveness of the extension of the Scheduled Termination Date of the Original VRDP Shares Fee Agreement to June 26, 2013, the Scheduled Termination Date (of the VRDP Shares Purchase Agreement shall automatically be extended to June 26, 2013. The Fund will send a copy of the fully executed Agreement to the Tender and Paying Agent for its acknowledgement, with instructions to send a notice of the extension to the Holders of the VRDP Shares (with a copy to Beneficial Owners to the extent provided in the Tender and Paying Agent Agreement).
3. Capitalized terms used herein that are not otherwise defined shall have the meanings assigned to them in the Original VRDP Shares Fee Agreement.
4. This Agreement shall be construed in accordance with and governed by the laws of the State of New York, without regard to conflict of laws principles that would require the application of the laws of another jurisdiction.

THE PARTIES HERETO HEREBY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF THE FEDERAL AND NEW YORK STATE COURTS LOCATED IN THE CITY OF NEW YORK IN CONNECTION WITH ANY DISPUTE RELATED TO THIS AGREEMENT OR ANY MATTERS CONTEMPLATED HEREBY.

5. The parties hereto hereby confirm that the Original VRDP Shares Fee Agreement and the VRDP Shares Purchase Agreement remain in full force and effect in accordance with the terms and subject to the conditions set forth therein, except as and to the extent modified by or pursuant to this Agreement.
-

6. Section 1(C)(i) of Exhibit D to the Original VRDP Shares Fee Agreement is hereby deleted and replaced in its entirety with the following:

"Securities issued by other investment companies (open- or closed-end funds and ETFs) that invest exclusively in Eligible Assets, provided that such investments in the aggregate do not constitute more than 5% of the Fund's Managed Assets as of the time of investment; provided further, that notwithstanding the foregoing requirements of this clause (i), the Fund shall be permitted, subject to Applicable Law, to invest up to 25% of its Managed Assets in securities issued by a money-market fund that (a) is registered under the 1940 Act, (b) is affiliated with the Investment Adviser and (c) invests exclusively in Eligible Assets."

7. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any or all jurisdiction or jurisdictions, because it conflicts with any provision of any constitution, statute, rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case, circumstance or jurisdiction, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatsoever.
8. 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.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

BLACKROCK MUNIHOLDINGS INVESTMENT QUALITY FUND, as Issuer

By: /s/ Brendan Kyne
Name: Brendan Kyne
Title: Vice President

BANK OF AMERICA, N.A., as Liquidity Provider

By: /s/ James Nacos
Name: James Nacos
Title: James Nacos

Acknowledged by:

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

By: /s/ Christina Sotiriou
Name: Christina Sotiriou
Title: Senior Associate

BLACKROCK MUNIHOLDINGS INVESTMENT QUALITY FUND
100 BELLEVUE PARKWAY
WILMINGTON, DELAWARE 19809

June 25, 2012

Bank of America, N.A.
One Bryant Park
1111 Avenue of the Americas, 9th Floor
New York, NY 10036

Re: VRDP Shares Fee Agreement

Dear James Nacos/Thomas Visone:

Reference is hereby made to the VRDP Shares Fee Agreement, dated as of June 30, 2011, by and between BlackRock MuniHoldings Investment Quality Fund (the "Fund") and Bank of America, N.A. ("BOFA") (the "Fee Agreement"). Section 6.05 of the Fee Agreement provides that the Fund will use its best efforts to maintain a long-term credit rating of the Fund's variable rate demand preferred shares (the "VRDP Shares") of "Aaa" by Moody's and a long-term issue credit rating of the Fund's VRDP Shares of "AAA" by Fitch (or the highest equivalent ratings category for preferred stock furnished by at least two Rating Agencies).

The Fund understands that BOFA intends to waive the Fund's obligation under Section 6.05 of the Fee Agreement to use best efforts to maintain a long-term credit rating of "Aaa" by Moody's. This letter confirms that the Fund will no longer be required to comply with Section 6.05 of the Fee Agreement, and that the Fund will instead use its best efforts to maintain a long-term credit rating of the Fund's VRDP Shares of at least "Aa3" by Moody's and a long-term issue credit rating of the Fund's VRDP Shares of "AAA" by Fitch (or the highest equivalent ratings category for preferred stock furnished by at least two Rating Agencies).

The Fee Agreement shall remain in full force and effect in accordance with the terms and subject to the conditions set forth therein, except as modified by this letter. Capitalized terms used herein that are not otherwise defined shall have the meanings assigned to them in the Fee Agreement.

This letter shall be construed in accordance with and governed by the domestic law of the State of New York, and BOFA and the Fund hereby submit to the non-exclusive jurisdiction of the federal and New York State courts located in The City of New York in connection with any dispute related to this letter or any matters contemplated hereby.

Please acknowledge and agree to the foregoing by signing the enclosed copy of this letter in the space provided below and returning the executed copy to the Fund. This letter may be executed in any number of counterparts, each of which when executed, shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument binding upon all of the parties hereto notwithstanding the fact that all parties are not signatory to the original or the same counterpart. For purposes of this letter, facsimile signatures shall be deemed originals.

Sincerely,

BLACKROCK MUNIHOLDINGS INVESTMENT QUALITY FUND

By: /s/ Robert W. Crothers

Name: Robert W. Crothers

Title: Vice President

Accepted and agreed to as of the
first date written above:

BANK OF AMERICA, N.A.

By: /s/ James Nacos

Name: James Nacos

Title: Authorized Signatory

Request for Extension of Scheduled Termination Date and
Agreement to Extend the VRDP Shares Fee Agreement
Dated as of April 15, 2013

1. BlackRock MuniHoldings Investment Quality Fund, as issuer (the "Fund"), and Bank of America, N.A., as liquidity provider (the "Liquidity Provider") hereby acknowledge (i) that on March 27, 2013, in accordance with Section 2.02 of the VRDP Shares Fee Agreement, dated as of June 30, 2011, between the Fund and the Liquidity Provider (the "Original VRDP Shares Fee Agreement"), the Fund delivered to the Liquidity Provider a written request to extend the Scheduled Termination Date of the Original VRDP Shares Fee Agreement and the VRDP Shares Purchase Agreement to June 30, 2014 (the "Original Renewal Request"), and (ii) that on April 3, 2013, the Liquidity Provider requested that the Original Renewal Request be amended to extend the Scheduled Termination Date to June 25, 2014.
2. In accordance with Section 2.02 of the Original VRDP Shares Fee Agreement, the Fund hereby requests an extension of the Scheduled Termination Date of the Original VRDP Shares Fee Agreement and the VRDP Shares Purchase Agreement to June 25, 2014, effective upon acceptance of this request by the Liquidity Provider, as evidenced by (i) the Fund delivering to the Liquidity Provider a copy hereof signed by the Fund and (ii) the Liquidity Provider signing and returning to the Fund a copy hereof, whereupon this Request for Extension of Scheduled Termination Date and Agreement to Extend VRDP Shares Fee Agreement (this "Agreement") shall be a binding agreement of the parties hereto, and the extension of both the Original VRDP Shares Fee Agreement (as it may be further amended) and VRDP Shares Purchase Agreement (as it may be further amended) shall become effective without further action by any party.
3. Upon effectiveness of the extension of the Scheduled Termination Date of the Original VRDP Shares Fee Agreement to June 25, 2014, the Scheduled Termination Date of the VRDP Shares Purchase Agreement shall automatically be extended to June 25, 2014. The Fund will send a copy of the fully executed Agreement to the Tender and Paying Agent for its acknowledgement, with instructions to send a notice of the extension to the Holders of the VRDP Shares (with a copy to Beneficial Owners to the extent provided in the Tender and Paying Agent Agreement).
4. Capitalized terms used herein that are not otherwise defined shall have the meanings assigned to them in the Original VRDP Shares Fee Agreement.
5. This Agreement shall be construed in accordance with and governed by the laws of the State of New York, without regard to conflict of laws principles that would require the application of the laws of another jurisdiction.

THE PARTIES HERETO HEREBY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF THE FEDERAL AND NEW YORK STATE COURTS LOCATED IN THE CITY OF NEW YORK IN CONNECTION WITH ANY DISPUTE RELATED TO THIS AGREEMENT OR ANY MATTERS CONTEMPLATED HEREBY.

6. The parties hereto hereby confirm that the Original VRDP Shares Fee Agreement and the VRDP Shares Purchase Agreement remain in full force and effect in accordance with the terms and subject to the conditions set forth therein, except as modified by Section 6 of this Agreement.
7. Effective as of June 26, 2013, section 2.05(a) of the Original VRDP Shares Fee Agreement is hereby deleted and replaced in its entirety with the following:

The Fund shall pay to the Liquidity Provider from June 26, 2013 to and including the date on which the Purchase Obligation under the VRDP Shares Purchase Agreement for all VRDP Shares has terminated, a monthly fee for each VRDP Share outstanding on the first calendar day of the immediately preceding calendar month, in an amount, equal to (a) the product of (i) 0.65% of 101.85% times \$100,000 multiplied by (ii) the actual number of days from and including such first calendar day of the immediately preceding calendar month to and including the last calendar day of such immediately preceding month or, if applicable, the date of any prior redemption or liquidation for such VRDP Share (as the case may be) (b) divided by 365.
8. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any or all jurisdiction or jurisdictions, because it conflicts with any provision of any constitution, statute, rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case, circumstance or jurisdiction, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatsoever.
9. 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.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

BLACKROCK MUNIHOLDINGS INVESTMENT QUALITY
FUND, as Issuer

By: /s/ Robert W. Crothers

Name: Robert W. Crothers
Title: Vice President

BANK OF AMERICA, N.A., as Liquidity Provider

By: /s/ James Nacos

Name: James Nacos
Title: Authorized Signatory

Acknowledged by:

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

By: /s/ Christina Sotiriou

Name: Christina Sotiriou
Title: Vice President

SCHEDULE I

EXECUTIVE OFFICERS AND DIRECTORS OF
REPORTING PERSONS

The following sets forth the name and present principal occupation of each executive officer and director of Bank of America Corporation. The business address of each of the executive officers and directors of Bank of America Corporation is Bank of America Corporate Center, 100 North Tryon Street, Charlotte, North Carolina 28255.

<u>Name</u>	<u>Position with Bank of America Corporation</u>	<u>Principal Occupation</u>
Brian T. Moynihan	Chief Executive Officer, President and Director	Chief Executive Officer and President of Bank of America Corporation
David C. Darnell	Co-Chief Operating Officer	Co-Chief Operating Officer of Bank of America Corporation
Terrence P. Laughlin	Chief Risk Officer	Chief Risk Officer of Bank of America Corporation
Gary G. Lynch	Global General Counsel and Head of Compliance and Regulatory Relations	Global General Counsel and Head of Compliance and Regulatory Relations of Bank of America Corporation
Thomas K. Montag	Co-Chief Operating Officer	Co-Chief Operating Officer of Bank of America Corporation
Bruce R. Thompson	Chief Financial Officer	Chief Financial Officer of Bank of America Corporation
Sharon L. Allen	Director	Former Chairman of Deloitte LLP
Susan S. Bies	Director	Former Member, Board of Governors of the Federal Reserve System
Jack O. Bovender, Jr.	Director	Former Chairman and Chief Executive Officer of HCA Inc.
Frank P. Bramble, Sr.	Director	Former Executive Officer, MBNA Corporation
Pierre de Weck ¹	Director	Former Chairman and Global Head of Private Wealth Management, Deutsche Bank
Arnold W. Donald	Director	Former President and Chief Executive Officer, The Executive Leadership Council
Charles K. Gifford	Director	Former Chairman of Bank of America Corporation
Charles O. Holliday, Jr.	Chairman of the Board	Chairman of the Board of Bank of America Corporation
Linda P. Hudson	Director	President and Chief Executive Officer of BAE Systems, Inc.
Monica C. Lozano	Director	Chairman and Chief Executive Officer, ImpreMedia, LLC
Thomas J. May	Director	President and Chief Executive Officer of Northeast Utilities
Lionel L. Nowell, III	Director	Former Senior Vice President and Treasurer, PepsiCo Inc.
Clayton S. Rose	Director	Professor of Management Practice, Harvard Business School
R. David Yost	Director	Former Chief Executive Officer of AmerisourceBergen Corp.

¹ Mr. de Weck is a citizen of Switzerland.

The following sets forth the name and present principal occupation of each executive officer and director of Banc of America Preferred Funding Corporation. The business address of each of the executive officers and directors of Banc of America Preferred Funding Corporation is 214 North Tryon Street, Charlotte, North Carolina 28255.

<u>Name</u>	<u>Position with Banc of America Preferred Funding Corporation</u>	<u>Principal Occupation</u>
John J. Lawlor	Director and President	Managing Director, Municipal Markets and Public Sector Banking Executive of Merrill Lynch, Pierce, Fenner & Smith, Incorporated and Bank of America, N.A.
Margaret Scopelianos	Director and Managing Director	Managing Director, Public Sector Banking Executive of Bank of America, National Association
Edward J. Sisk	Director and Managing Director	Managing Director, Public Finance Executive of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Bank of America, N.A.
Edward H. Curland	Director and Managing Director	Managing Director, Municipal Markets Executive for Trading of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Bank of America, N.A.
David A. Stephens	Director and Managing Director	Managing Director, Executive for Public Finance and Public Sector Credit Products of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Bank of America, N.A.
James E. Nacos	Managing Director	Managing Director, Municipal Markets Senior Trader of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Bank of America, N.A.
Mona Payton	Managing Director	Managing Director, Municipal Markets Executive for Short-Term Trading of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Bank of America, N.A.
John B. Sprung	Director	Corporate Director



MLPF&S CDO Settlement 12/12/2013

Pursuant to an Offer of Settlement made by Merrill Lynch, Fenner, Pierce & Smith Incorporated (MLPF&S), on December 12, 2013 the SEC issued an order ("Order") stating that MLPF&S violated the federal securities laws in connection with its structuring and marketing of a series of collateralized debt obligation transactions ("CDOs") in 2006 and 2007. According to the Order, MLPF&S failed to inform investors in two CDOs that a hedge fund firm that bought the equity in the transactions but whose interests were not necessarily the same as those of the CDOs' other investors, had undisclosed rights relating to, and exercised significant influence over, the selection of the CDOs' collateral. The Order stated that, as a result of its conduct, MLPF&S violated Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933 ("Securities Act") and section 17(a)(1) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 17a-3(a)(2) thereunder. MLPF&S consented to the entry of the Order without admitting or denying the findings therein. The Order (1) required that MLPF&S cease and desist from committing or causing any violations and any future violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act and Section 17(a)(1) of the Exchange Act and Rule 17a-3(a)(2) thereunder; (2) censured MLPF&S; and (3) required that MLPF&S pay disgorgement of \$56,286,000 and prejudgment interest of \$19,228,027 and a civil money penalty in the amount of \$56,286,000 (for a total payment of \$131,800,027).

Massachusetts Securities Division Order 10/30/2013

The Massachusetts Securities Division (the "Division") alleged that MLPF&S failed to reasonably supervise a former agent in violation of M.G.L. c. 110A, §204(a)(2)(J). On October 30, 2013, without admitting or denying the alleged Violations of Law, MLPF&S consented to the entry of a Consent Order, paid a civil penalty of \$500,000, agreed to offer reimbursement to five current or former MLPF&S clients, agreed to certify that it has reviewed its policies and procedures with regard to the monitoring of employee accounts, agreed to a censure, and agreed to cease and desist from violating M.G.L. c. 110A, §204(a)(2)(J).

MLPF&S FINRA AWC 10/24/2013

MLPF&S effected securities transactions while a trading halt was in effect with respect to the securities. MLPF&S transmitted reports to the Order Audit Trail System (OATS) that contained an inaccurate originating department ID, submitted erroneous desk reports, submitted reports with an incorrect special handling code, erroneous handling codes, incorrect order received time, incorrect limit price, submitted reports without a reporting exception code, incorrectly submitted a new order report and route reports, and failed to submit a route report. MLPF&S made available a report on the covered orders in National Market System Securities it received for execution from any person which included incorrect information. MLPF&S incorrectly classified a covered order as not covered and calculated and reported an incorrect amount of total covered orders, covered shares, and total cancelled shares. MLPF&S failed to report to the FINRA/NASDAQ Trade Reporting Facility (FNTRF) the correct symbol indicating the related market center in transactions in reportable securities. MLPF&S failed to report the exercise of an over-the-counter (OTC) option. MLPF&S's supervisory system did not provide for supervision reasonably designed to achieve compliance with applicable securities laws, regulations and FINRA Rules addressing quality of market topics. MLPF&S's written supervisory procedures (WSPs) failed to provide for minimum requirements for adequate WSPs in trade reporting (use of trade modifiers, third party reporting); OATS (accuracy of data); and multiple market participant identifiers (approval of MPIDs). MLPF&S had fail-to-deliver positions at a registered clearing agency in an equity security that resulted from a long sale, and did not close the fail-to-deliver positions by purchasing securities of like kind and quantity within the time frame prescribed by SEC Rule 204(A)(1). MLPF&S executed short sale orders and failed to properly mark the orders as short. MLPF&S failed to contemporaneously or partially execute customer limit orders in a NASDAQ security after it traded each subject order for its own market-making account at a price that would have satisfied each customer's limit order. MLPF&S failed to report complete and accurate data to the FNTRF in transactions in reportable securities. MLPF&S incorrectly reported an agency cross transaction as a principal transaction with a blank contra party; failed to report the contra party broker-dealer on principal trades; reported an incorrect buy/sell indicator; failed to report the correct execution time; and failed to timely submit non-tape reports with the .RX modifier. Without admitting or denying the findings, MLPF&S consented to the described sanctions and to the entry of findings; therefore, MLPF&S is censured, fined \$85,000, required to pay \$77.98, plus interest, in restitution and required to revise its WSPs regarding trade reporting (use of trade modifiers, third party reporting); OATS (accuracy of data); and multiple market participation identifiers (approval of MPIDs) within 30 business days of acceptance of this AWC by the NAC. A registered firm principal shall submit satisfactory proof of payment of the restitution, or of reasonable and documented efforts undertaken to effect restitution to FINRA no later than 120 days after acceptance of this AWC. Any undistributed restitution and interest shall be forwarded to the appropriate escheat, unclaimed property or abandoned property fund for the state in which the customer last resided.

MLPF&S District of Columbia Settlement

An agent of the MLPF&S failed to furnish a client material information that the client was entitled to on a timely basis in violation of 26 DCMR B 119.2(u). As a result of the agent's conduct, MLPF&S violated just and equitable standards of conduct (FINRA Rule 2010), in violation of 26 DCMR B 119.2 (bb). On September 10, 2013, without admitting or denying the Statement of Facts and Conclusions of Law, MLPF&S consented to the entry of the Administrative Settlement Agreement, paid \$15,000 to the District of Columbia's general fund, and shall cease and desist from violating 26 DCMR B 119.2 (bb).

BANA MAS Censure

On June 14, 2013, the Monetary Authority of Singapore ("MAS") took administrative action against Bank of America, National Association (Singapore Branch) ("BANA Singapore") and eighteen other banks in the market for deficiencies in governance, risk management, internal controls, and surveillance systems from 2007 to 2011 related to the submission processes for Singapore dollar interest rate benchmarks – specifically, SIBOR and SOR – and Foreign Exchange spot benchmarks in four emerging market Asian currencies ("ABS Benchmarks"). In addition, the MAS determined BANA Singapore personnel engaged in electronic communications in which they initiated, received, acknowledged, or relayed requests to improperly influence submissions for certain of the above-referenced ABS Benchmarks. The MAS stated it had not made the finding that the ABS Benchmarks had been manipulated by any of the nineteen banks subject to its order, but found that the action of the BANA Singapore (and other banks') personnel reflected a lack of professional conduct and integrity. The MAS is requiring BANA Singapore to adopt measures to address the deficiencies, report its progress in addressing these deficiencies on a quarterly basis, and conduct independent reviews to ensure the robustness of the remedial measures. BANA Singapore was not fined, but instead was required to post with the MAS for one year a statutory reserve of 700 million Singapore dollars (approximately US\$551 million) which is refundable upon satisfaction of the MAS's order on remedial measures.

Massachusetts Securities Division 144A Securities

The Massachusetts Securities Division (Division) alleged that MLPF&S violated Sections 204(a)(2)(G) and 204(a)(2)(J) of the Massachusetts Uniform Securities Act ("Act") in connection with the sale of unregistered securities by MLPF&S to two Massachusetts cooperative banks and their subsidiaries. On April 18, 2013, without admitting or denying the allegations, MLPF&S entered into a settlement with the Division, in which it agreed to permanently cease and desist from violating the Act and to pay a civil penalty in the amount of \$250,000. MLPF&S also represented that it had entered into separate independent settlement agreements with the banks, pursuant to civil actions.

MLPF&S BondMarket Matter

MLPF&S's proprietary bond market order execution system had a flawed pricing logic, with respect to non-convertible preferred securities, that only incorporated the quotations from the two primary exchanges where the securities were listed. As a result, in instances where there was a better price on a market other than the primary listing exchange, the firm systematically executed transactions in non-convertible preferred securities with its customer on its proprietary order execution system at prices inferior to the national best bid or offer (NBBO). In 12,259 transactions for or with a customer, the firm thus failed to use reasonable diligence to ascertain the best inter-dealer market and failed to buy or sell in such market so that the resultant price to its customer was as favorable as possible under prevailing market conditions. The firm failed to establish and maintain a supervisory system, including written supervisory procedures (WSPs) reasonably designed to ensure compliance with the firm's best execution obligations for transactions in non-convertible preferred securities executed on its order execution system. The firm's supervisory system was deficient in that it failed to perform any post execution review of non-convertible preferred transactions executed on its system to ensure compliance with its best execution obligations despite the fact it received several inquiry letters from FINRA regarding the relevant conduct. Although the firm took some remedial measures intended to address issues raised by FINRA, it failed to identify the flawed pricing logic until a later

date. Approximately 2,200 transactions were identified on FINRA's best execution report cards available to the firm for over three years. Despite these red flags, the firm failed to perform any meaningful supervisory review for best execution of non-convertible preferred transactions executed on its proprietary system. The firm's WSPs were not adequate for almost three years in that they did not describe the supervisory steps to be taken by the person responsible for a best execution supervisory review of non-convertible preferred transactions executed on its proprietary system. For two years, the firm's WSPs did not provide for the person or persons responsible for ensuring compliance with the applicable rules; a statement of the supervisory steps to be taken by that person; a statement as to how often such person should take such steps; and a statement as to how the completion of supervisory reviews should be documented. On April 2, 2013, without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings; therefore, the firm is censured, fined \$1,050,000.00, required to revise its WSPs regarding supervisory procedures to be followed by the person responsible for best execution of non-convertible preferred transactions executed on its proprietary order execution system within 30 business days of acceptance of this AWC by the NAC, and to pay restitution of \$323,950.04, plus interest, in connection with the 12,259 transactions. a registered firm principal shall submit satisfactory proof of payment of the restitution, or of reasonable and documented efforts undertaken to effect restitution to FINRA no later than 120 days after acceptance of this AWC. Any undistributed restitution and interest shall be forwarded to the appropriate escheat, unclaimed property or abandoned property fund for the state in which the customer last resided.

Cal PSA Matter

MLPF&S and Banc of America Securities LLC, which was consolidated into MLPF&S, were members of a municipal securities association which requested that its members make underwriting assessment payments of \$0.01 per bond, and later \$0.02 per bond, when they participated in bond issuances in California of more than \$2 million in issue size with more than two years to maturity. The municipal securities association's mission was to keep its members informed of legislative and regulatory developments affecting the municipal securities industry and to provide a forum through which the municipal securities industry could review and respond to these developments. The association billed its members on the per-bond basis, regardless of whether there was any direct relationship between that bond issuance and the association's activities, and regardless of whether the association provided any services required for the underwriting. The firms paid the association a total of \$387,455.62 for participating in the underwriting of approximately 252 applicable transactions. The firm obtained reimbursement for the voluntary payments from the proceeds of municipal and state bond offerings which was unfair. The assessments did not have a direct relationship to any activities conducted with respect to each bond offering. The firm was not required by any statute or regulations to be a member of the association yet treated its assessments as an expense of each transaction and requested and received reimbursement of the payments from the proceeds of each bond offering. The firm listed the underwriting assessments as expenses of the underwriting but its requests for reimbursement were not fair because they were not accompanied by adequate disclosure to issuers. The firm's practices resulted in the expenditure of the proceeds of municipal and state bond offerings to an organization engaged in political activities. In response to a request from the Treasurer of the State of California, the firms have returned \$100,255.58 to multiple issuers as a refund for the underwriting assessments reimbursed from offering proceeds. The firms failed to adopt, maintain and enforce written supervisory procedures (WSPs) reasonably designed to ensure compliance with MSRB Rule G-17 as it relates to the conduct described here. The firms failed to establish reasonable procedures for reviewing and disclosing expenses for municipal securities associations for which it requested reimbursement from the proceeds of municipal and state offerings, and for ensuring that those requests were fair and adequate. The firms also failed to adopt, maintain and enforce adequate systems and WSPs reasonably designed to monitor how the municipal securities associations to which it belonged used the funds that the firm provided. Adequate policies and procedures were especially necessary in light of one association's engagement in political activities. On December 27, 2012, without admitting or denying the findings, MLPF&S consented to the described sanctions and to the entry of findings; therefore, the firm is censured and fined \$787,000 for MSRB rule violations and ordered to pay \$287,200.04 in restitution and to submit satisfactory proof of payment of restitution or of reasonable documented efforts to effect restitution to the issuers located in California to which the firm has not yet provided restitution.

ICE Futures U.S. Settlement

The Business Conduct Committee of ICE Futures U.S., Inc. determined that Applicant may have violated Exchange Rule 6.13(a) on February 2 and 3, 2011 by maintaining a short position in Cotton No. 2 for a corporate affiliate which exceeded the net 5,000 futures equivalent all months position limit. On August 22, 2012, without admitting or denying the violation of any Exchange Rules, the Applicant agreed to pay a fine of \$25,000 and to cease and desist from future violations of Exchange Rule 6.13(a).

Global Mortgage Settlement

On March 12, 2012, the Department of Justice and the Attorneys General of 49 states and the District of Columbia filed a complaint ("Complaint") and consent judgment against Bank of America Corporation, Bank of America, N.A., BAC Home Loans Servicing, LP f/k/a Countrywide Home Loans Services, LP, Countrywide Home Loans, Inc., Countrywide Financial Corporation, Countrywide Mortgage Ventures, LLC, and/or Countrywide Bank, FSB (together, "Bank of America" and the "Defendants") and other major mortgage servicers to settle a number of related investigations into residential loan servicing and origination practices (the "Settlement"). The Complaint alleged the Defendant's misconduct related to its origination and servicing of single family residential mortgages caused the Defendants to have violated, among other laws, the Unfair and Deceptive Acts and Practices laws of the plaintiff States, the False Claims Act, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, the Servicemembers Civil Relief Act, and the Bankruptcy Code and Federal Rules of Bankruptcy Procedure. On April 5, 2012, the U.S. District Court for the District of Columbia approved the Settlement by entering the consent judgment. As a result of the settlement, Bank of America Corporation and/or its affiliated entities shall pay or cause to be paid into an interest bearing escrow account to be established for this purpose the sum of \$2,382,415,075, which sum shall be added to funds being paid by other institutions resolving claims in this matter and according to certain criteria established in the settlement. Up to \$120 million of this amount may be treated as a civil penalty. In addition, Bank of America shall provide \$7,626,200,000 of relief to consumers who meet certain eligibility criteria relating to servicing of loans. The additional servicing and origination standards include the development of new or enhanced programs to provide borrower assistance, the development of proprietary programs to provide expanded mortgage modification solutions, including the broader use of principal reductions if permitted by the mortgage investor, enhanced programs for unemployed, military service members and other customers with identified special situations, enhanced facilitation of short sales, and the offer of other assistance programs, such as deed-in-lieu of foreclosure and funds for families transitioning out of home ownership. Also, Bank of America shall provide \$948,000,000 to a new refinancing program for current consumers who meet other eligibility criteria. The refinancing program is intended to expand refinancing opportunities or lower interest rates on Bank of America owned mortgages to provide reduced payments for many homeowners who are current on their payments but owe more than the current value of their homes. Following finalization of the settlement terms, Bank of America will finalize its program enhancements and provide additional details of eligibility requirements. Bank of America consented to the entry of the Consent Judgment without admitting the allegations in the complaint other than those facts deemed necessary to jurisdiction. Bank of America made its payment to the escrow agent on April 11, 2012. The Settlement does not result in an injunction or any findings of violations of law.

BAC Foreclosure Practice Order

On April 13, 2011, the Board of Governors of the Federal Reserve System ("**Federal Reserve**") issued a cease and desist consent order ("**Consent Order**") against Bank of America Corporation ("**BAC**"). The Consent Order makes no finding on any issues of fact or law or any explicit allegation concerning BAC. The Consent Order describes a consent order that the Office of the Comptroller of the Currency ("**OCC**") and Bank of America, N.A. ("**BANA**"), which is owned and controlled by BAC, entered into addressing areas of weakness identified by the OCC in mortgage loan servicing, loss mitigation, foreclosure activities, and related functions by BANA. The Consent Order also states that the OCC's findings raised concerns that BAC did not adequately assess the potential risks associated with such activities of BANA. The Consent Order directs the board of directors of BAC to take appropriate steps to ensure that BANA complies with the OCC consent order. The Consent Order requires BAC and its institution-affiliated parties to cease and desist and take specified affirmative action, including that BAC or its board: (1) take steps to ensure BANA complies with the OCC order; (2) submit written plans to strengthen the board's oversight of risk management, internal audit, and compliance programs concerning certain mortgage loan servicing, loss mitigation, and foreclosure activities conducted through BANA; and (3) periodically submit written progress reports detailing the form and manner of all actions taken to secure compliance with the Consent Order. BAC submitted an offer of settlement to the Federal Reserve. In the offer of settlement, BAC agreed to consent to the entry of the Consent Order, without the Consent Order constituting an admission by BAC or any of its subsidiaries of any allegation made or implied by the Federal Reserve in connection with the matter.

BANA Foreclosure Practice Order

On April 13, 2011, the OCC issued a cease and desist consent order ("**Order**") against BANA. The Order identified certain deficiencies and unsafe or unsound practices in residential mortgage servicing and in BANA's initiation and handling of foreclosure proceedings. The Order finds that in connection with certain foreclosures of loans in its residential servicing portfolio, BANA: (a) filed or caused to be filed in courts executed affidavits making various assertions that were not based on the affiants' personal knowledge or review of relevant books and records; (b) filed or caused to be filed in courts numerous affidavits or other mortgage-related documents that were not properly notarized; (c) litigated foreclosure proceedings and initiated non-judicial foreclosure proceedings without always ensuring that the promissory note or the mortgage document was properly

endorsed or assigned and, if necessary, in the possession of the appropriate party at the appropriate time; (d) failed to devote sufficient resources to ensure proper administration of its foreclosure processes; (e) failed to devote to its foreclosure processes adequate oversight, internal controls, policies and procedures, compliance risk management, internal audit, third party management and training; and (f) failed to sufficiently oversee third-party providers handling foreclosure-related services. The Order requires that BANA cease and desist such practices and requires BANA's Board to maintain a Compliance Committee that is responsible for monitoring and coordinating BANA's compliance with the Order. The Order provides for BANA to: (a) submit a comprehensive action plan that includes a compliance program, third-party management policies and procedures, controls and oversight of BANA's activities with respect to the Mortgage Electronic Registration System and compliance with MERSCORP's membership rules, terms, and conditions; (b) retain an independent consultant to conduct an independent review of residential foreclosure actions regarding individual borrowers; (c) plan for operation of management information systems; (d) submit a plan for effective coordination of communications with borrowers related to loss mitigation or loan modification and foreclosure activities; (e) conduct an assessment of BANA's risks in mortgage servicing operations; and (f) submit periodic written progress reports detailing the form and manner of all actions taken to secure compliance with the Order. BANA submitted an offer of settlement to the OCC. In the offer of settlement, BANA agreed to consent to the entry of the Order, without admitting or denying any wrongdoing.

Gail Cahaly, et al. v. Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), Benistar Property Exchange Trust Co., Inc. ("Benistar"), et al. (Massachusetts Superior Court, Suffolk County, MA)

Plaintiffs alleged that Merrill Lynch aided and abetted a fraud, violation of a consumer protection law, and breach of fiduciary duty allegedly perpetrated by Benistar, a former Merrill Lynch client, in connection with trading in the client's account. During the proceedings, plaintiff also made allegations that Merrill Lynch engaged in sanctionable conduct in connection with the discovery process and the trial. In 2002, following a trial, a jury rendered a verdict for plaintiffs. Thereafter, the Court granted Merrill Lynch's motion to vacate and plaintiffs' motion for a new trial. On June 25, 2009, following a retrial, the jury found in plaintiffs' favor. On January 11, 2011, the Court entered rulings denying plaintiffs' motion for sanctions and punitive damages, awarding certain plaintiffs consequential damages, and awarding attorneys' fees and costs. On February 7, 2011, the Court issued final judgment requiring Merrill Lynch to pay \$9,669,443.58 in consequential and compensatory damage plus statutory interest, and \$8,700,000 in attorneys' fees and costs; but denying plaintiffs' requests for punitive damages and sanctions. The client, a co-defendant, filed a notice of appeal on or about January 19, 2011. Plaintiffs and Applicant also appealed. While the appeals were pending, on December 26, 2012, Plaintiffs and Applicant agreed to settle for \$22,500,000.

BAC Muni Derivative Settlement

The Federal Reserve reviewed certain activities related to various types of anti-competitive activity by certain employees of BAC in conjunction with the sale of certain derivative financial products to municipalities and non-profit organizations variously between 1998 and 2003. Following the review, BAC and the Federal Reserve entered into a Formal Written Agreement on December 6, 2010, to ensure that BAC proactively and appropriately manages its compliance risk related to certain competitively bid transactions. In addition, BAC agreed to submit a written plan to strengthen BAC's compliance risk management program regarding those same competitively bid transactions, and to promptly implement that plan once it is approved by the Federal Reserve Bank of Richmond.

BANA Muni Derivative Settlement

The OCC reviewed certain activities related to the participation of certain employees of BANA in the sale of certain derivative financial products to municipalities and non-profit organizations, and found information indicating that certain BANA employees engaged in illegal bidding activity related to the sale of those derivative financial products variously between 1998 and January 2004. Following the review, BANA and the OCC entered into a Formal Written Agreement on December 7, 2010, to ensure that BANA proactively and appropriately manages its compliance risk related to various competitively bid transactions, including those related to derivative financial products to municipalities and non-profit organizations.

In addition, BANA agreed to do a formal assessment of all business lines that engage in certain types of competitively bid transactions, to complete a formal evaluation of the operational policies and procedures applicable to such businesses to ensure that adequate policies and procedures exist to ensure compliance with safe and sound banking practices, law, and regulations related to the competitively bid transactions, and to develop an internal training program to ensure compliance with all laws and regulations related to competitively bid transactions. Upon approval by the OCC, BANA must immediately begin to implement the policies, procedures and programs called for by the Agreement. Finally, BANA agreed to pay unjust enrichment in the amount of \$9,217,218 to certain counterparties identified by the OCC.

Merrill Lynch (as successor to BAS) Muni Derivative Settlement

On December 7, 2010, the Securities and Exchange Commission ("SEC") issued an administrative and cease-and-desist order (the "Order") finding that Banc of America Securities LLC ("BAS") (which was merged with and into Merrill Lynch on November 1, 2010) willfully violated Section 15(c)(1)(A) of the Securities Exchange Act of 1934 when certain employees participated in improper bidding practices involving the temporary investment of proceeds of tax-exempt municipal securities in reinvestment products during the period 1998-2002. The Order censured BAS, ordered BAS to cease and desist from committing or causing such violations and future violations, and ordered BAS to pay disgorgement plus prejudgment interest in the amount of \$36,096,442.00. BAS consented to the Order without admitting or denying the SEC's findings.

Merrill Lynch 529 Plan AWC

On November 23, 2010, the Financial Industry Regulatory Authority ("FINRA") alleged that Merrill Lynch violated MSRB Rule G-27 in that during the period January 2002 to February 2007, Merrill Lynch required registered representatives to consider potential state tax benefits offered by a state in which a client resides as a factor when recommending a client invest in a 529 plan. But Merrill Lynch's written supervisory procedures did not require supervisors to document reviews to determine if registered representatives had in fact considered potential state tax benefits when recommending a client invest in a 529 plan. As a result, Merrill Lynch did not have effective procedures relating to documenting its suitability determinations in connection with the sale of 529 plans. Without admitting or denying the findings, Merrill Lynch consented to the described sanctions and to the entry of findings; therefore, Merrill Lynch is censured, fined \$500,000 and required within 60 days of execution of this Acceptance, Waiver and Consent ("AWC") to distribute a stand-alone letter acceptable to FINRA to each current customer who resided in a state that offered 529-related state tax benefits at the time the customer opened an advisor-sold specific 529 plan account at Merrill Lynch from June 2002 through February 2007; the letter will instruct the customers to call a designated Merrill Lynch phone number with inquiries, concerns or complaints regarding their 529 investment. The designated number will be available for 120 days after which the number will contain a recorded message to contact Merrill Lynch's college plan services area. If requested within 180 days of mailing of the 529 letter, Merrill Lynch will assist in transferring or rolling-over any customer's investment in the specific plan into a 529 plan of the customer's choice within his/her home state, regardless of whether Merrill Lynch currently offers such 529 plan, with Merrill Lynch waiving any and all client fees, costs in connection with the sale, transfer, or roll-over of the specific plan; and/or any and all client fees, costs due to Merrill Lynch in connection with the initial purchase of a 529 plan within the customer's home state using the proceeds of the specific plan. Merrill Lynch shall provide FINRA semi-annually or upon FINRA's request, until December 31, 2011, a report describing each oral/written inquiry, concern or complaint received through the designated number or any written complaint otherwise received by Merrill Lynch concerning the specific plan from the 529 letter recipients, along with a description of how Merrill Lynch addressed or resolved the inquiries, concerns or complaints of each such customer.

Merrill Lynch (as successor to BAI) Massachusetts Consent

On November 17, 2010, the Commonwealth of Massachusetts Securities Division alleged that two employees of Banc of America Investment Services, Inc. (“BAI”) (which merged with and into Merrill Lynch on 10/23/2009) sold Fannie Mae and Freddie Mac federal agency step-up bonds to an investor and that they did not describe the bonds accurately. The state regulator alleged that BAI failed to supervise the conduct in violation of M.G.L. C.110a § 204(a)(2)(g). Only BAI was named as a respondent in the consent order. On November 16, 2010, BAI submitted an offer of settlement, without admitting or denying the facts and without an adjudication of any issue of law or fact, and consented to the entry of the consent order. BAI agreed to a fine of \$100,000, to cease and desist, and to an undertaking to retain an independent compliance consultant and impose heightened supervision on a representative.

Merrill Lynch FINRA UIT AWC

On August 18, 2010, FINRA alleged that Merrill Lynch violated NASD Rules 2110, 2210, 3010—in that Merrill Lynch failed to establish, maintain and enforce a supervisory system and written supervisory procedures reasonably designed to achieve compliance with its obligations to apply sales charge discounts to all eligible Unit Investment Trust (“UIT”) purchases. Merrill Lynch relied on its brokers to ensure that customers received appropriate UIT sales charge discounts, despite the fact that Merrill Lynch failed to appropriately inform and train brokers and their supervisors about such discounts. Merrill Lynch’s written supervisory procedures had little or no information or guidance regarding UIT sales charge discounts. Once Merrill Lynch established procedures addressing UIT sales charges discounts, they were inaccurate and conflicting. Merrill Lynch’s written supervisory procedures incorrectly stated that a discount would not apply when a client liquidates an existing UIT position and uses the proceeds to purchase a different UIT. Merrill Lynch’s procedures lacked substantive guidelines, instructions, policies, or steps for brokers or their supervisors to follow to determine if a customer’s UIT purchase qualified for and received a sales charge discount. As a result of the defective procedures, Merrill Lynch failed to provide eligible customers with appropriate discounts on both UIT rollover and breakpoint purchases. Merrill Lynch failed to identify and appropriately apply sales charge discounts in transactions reviewed in a sample of customer purchases in certain top selling UITs. As a result, Merrill Lynch overcharged customers in this sample approximately \$123,000. Following FINRA’s publication of a settlement with another firm concerning UIT transactions and independent of FINRA’s pending inquiry, Merrill Lynch analyzed its application of sales charge discounts to UIT transactions. As a result of the review, Merrill Lynch identified customers that were overcharged when purchasing UITs through Merrill Lynch and in accordance with the undertakings set forth below, will remediate those customers more than \$2 million in overcharges. Merrill Lynch approved for distribution inaccurate and misleading UIT sales literature and provided this UIT presentation for brokers to use with clients. This presentation was subject to the content standards set forth in NASD Rule 2210(d) and violated those standards. Without admitting or denying the findings, Merrill Lynch consented to the described sanctions and to the entry of findings; therefore, Merrill Lynch is censured, fined \$500,000 and agrees to provide remediation to customers who, during the relevant period, purchased UITs and qualified for, but did not receive, the applicable sales charge discount. Within 90 days of the effective date of this AWC, Merrill Lynch submitted to FINRA a proposed plan of how it will identify and compensate customers who qualified for, but did not receive, the applicable UIT sales charge discounts. The date that FINRA notifies Merrill Lynch that it does not object to the plan shall be called the notice date. In the event FINRA does object to the plan, Merrill Lynch will have an opportunity to address FINRA’s objections and resubmit the plan within 30 days. A failure to resubmit to FINRA a plan that is reasonably designed to meet the specific requirements and general purpose of the undertaking will be a violation of the terms of the AWC. Merrill Lynch shall complete the remediation process within 180 days from the notice date. Within 210 days of the notice date, Merrill Lynch will submit to FINRA a schedule of all customers identified during Merrill Lynch’s review as not having received an appropriate sales charge discount. The schedule shall include details of the qualifying purchases and the appropriate discount and total dollar amounts of restitution provided to each customer. Also within 210 days from the notice date, Merrill Lynch will submit to FINRA a report that explains how Merrill Lynch corrected its UIT systems and procedures and the results of Merrill Lynch’s implementation of its plan to identify and compensate qualifying customers including the amounts and manner of all restitution paid.

Merrill Lynch NASDAQ Settlement

On June 29, 2010, the NASDAQ Stock Market (“NASDAQ”) alleged that Merrill Lynch violated NASDAQ RULES 2110, 3010 in that Merrill Lynch’s supervisory system and written supervisory procedures were not reasonably designed to achieve compliance with applicable securities laws and regulations (including NASD notice to members 04-66) and NASDAQ rules concerning the prevention of erroneous orders and transactions and frivolous clearly erroneous transaction complaints. Without admitting or denying the findings, Merrill Lynch consented to the described sanctions and to the entry of findings; therefore, Merrill Lynch is censured, fined \$10,000 and required to revise its written supervisory procedures regarding compliance with NASD Notice to Members 04-66 within 30 business days of acceptance of this AWC by the NASDAQ review council.

BAC ML&Co. Proxy Rule Settlement

The SEC alleged that BAC violated the federal proxy rules by failing to disclose information concerning Merrill Lynch & Co., Inc.’s (“ML&Co.”) known and estimated losses in the fourth quarter of 2008 prior to the shareholder vote on December 5, 2008 to approve the merger between the two companies. In addition, the SEC alleged that Bank of America Corporation (the “Corporation”) violated Section 14(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 14a-9 thereunder by failing to disclose in the Corporation’s joint proxy statement filed on November 3, 2008 the incentive compensation that Merrill Lynch & Co., Inc. could, in its discretion, award to its employees prior to completion of its merger with the Corporation. On February 24, 2010, a final judgment (the “Final Judgment”) was entered by the U.S. District Court for the Southern District of New York in both matters. Under the terms of the Final Judgment, BAC agreed to pay \$1 in disgorgement and a \$150 million civil penalty to be distributed to shareholders as part of the SEC’s Fair Funds Program at a later date in accordance with further order of the court. In addition, as part of the Final Judgment, BAC agreed, for a period of three years, to comply with and maintain certain requirements related to BAC’s corporate governance and disclosure practices.

Merrill Lynch CBOE Decision and Order of Offer of Settlement

On April 13, 2010, the Chicago Board of Options Exchange (“CBOE”) censured and fined Merrill Lynch \$150,000. In addition, the BCC ordered an undertaking requiring Merrill Lynch to provide the Exchange with a certification within thirty (30) days of the issuance of the decision in this matter that Merrill Lynch has corrected the systems problems leading to this case, that all information reported to the Exchange in accordance with Rule 4.13(a) is accurate and is being submitted on a timely basis, and that respondent immediately notify the Exchange of any inaccuracies in any reports submitted pursuant to rule 4.13(a). During all relevant periods herein, Exchange members were required to submit to the large options position report all customer positions, which numbered 200 contracts or more in any single option class listed on the Exchange on the same side of the market along with their customer’s name, address, and social security number or tax identification number. Merrill Lynch failed to properly submit all required account information for approximately 1,346 accounts to the large options position report. (CBOE Rule 4.13(a) - reports related to position limits.)

Merrill Lynch Client Associate Registration Settlement

In September 2009, Merrill Lynch reached agreements in principle and final administrative settlements with the Texas State Securities Board and various state securities regulators relating to the state registration of sales assistants known as Client Associates. Without admitting or denying wrongdoing, Merrill Lynch agreed to certain undertakings and regulatory sanctions including reprimand or censure, agreement to cease and desist sales of securities through persons not registered with the states, payments of fines, penalties and other monetary sanctions (including past registration fees) of \$26,563,094.50 to be divided amongst the 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands, and payment of \$25,000 to the North American Securities Administrators Association.

Merrill Lynch, BAI and BAS Auction Rate Securities Settlements

In August 2008, Merrill Lynch, BAS and BAI each reached certain agreements in principal with the Office of the New York State Attorney General, the Massachusetts Securities Division, various state securities regulators, and the staff of the SEC (the “ARS Settlements”) relating to auction rate securities (“ARS”). As the result of the mergers of BAI with and into Merrill Lynch on October 23, 2009 and BAS with and into Merrill Lynch on November 1, 2010, Merrill Lynch assumed the liabilities of BAI and BAS in this matter. Without admitting or denying wrongdoing, each of the aforementioned entities has agreed to, pursuant to the terms of each settlement to which it is a party, among others, repurchase ARS at par value (plus any accrued but unpaid interest or dividends) from certain eligible customers, use best efforts to provide liquidity solutions for institutional holders of ARS, participate in a special arbitration process to the extent that eligible customers believe they had a claim for consequential damages, refund certain refinancing fees

related to ARS, pay a civil money penalty and compensate other eligible customers who purchased ARS and sold them at a loss. Each of Merrill Lynch, BAS and BAI has substantially completed the purchase of those ARS. BAI and BAS also agreed to pay a total civil penalty of \$50,000,000 that will be distributed among the states and U.S. territories that enter into administrative or civil consent orders related to ARS. Merrill Lynch agreed to pay a \$125,000,000.00 civil penalty to be distributed similarly.

BAI Representative Supervision Settlement

On October 22, 2009, the SEC alleged that BAI failed reasonably to supervise a former registered representative who converted certain customer funds, with a view to preventing and detecting violations of Federal securities laws, as required under Section 15(B)(4)(E) of the Securities Exchange Act of 1934 (the “**Exchange Act**”). Without admitting or denying the allegations, BAI agreed to enter into a settlement with the SEC, paid a civil money penalty in the amount of \$150,000, and to comply with certain undertakings. Such undertakings include retaining an independent consultant to review and evaluate the effectiveness of BAI's supervisory and compliance systems, policies, and procedures concerning the following: (1) review of customer accounts and securities transactions; and (2) periodic compliance inspections. BAI has undertaken to adopt, implement, and maintain all policies, procedures, and practices recommended by the independent consultant. Notwithstanding the settlement with the SEC, BAI has identified the customers whose funds were converted by the former BAI registered representative, and has reimbursed them in full.

Merrill Lynch Squawk Box Settlement

On March 11, 2009, without admitting or denying the SEC's findings, Merrill Lynch consented to the entry of an administrative SEC order that (1) finds violations of Section 15(f) of the Exchange Act and Section 204A of the Investment Advisers Act of 1940 (the “**Advisers Act**”) for allegedly failing to maintain written policies and procedures reasonably designed to prevent the misuse of customer order information, (2) requires that Merrill Lynch cease and desist from committing or causing any future violations of the provisions charged, (3) censures Merrill Lynch, (4) imposes a \$7,000,000 civil money penalty and (5) requires Merrill Lynch to comply with certain undertakings.
