

VARIABLE RATE BOND AGREEMENT

This VARIABLE RATE BOND AGREEMENT, dated February 26, 2009, is made by and between King County, Washington (the "County") and The Bank of New York Mellon, as registrar, authenticating agent, paying agent, transfer agent and tender agent for the County's hereinafter identified Bonds (the "Bond Registrar").

RECITALS:

WHEREAS, the County has authorized issuance of \$50,000,000 aggregate principal amount of its Multi-Modal Limited Tax General Obligation Bonds, 2009, Series A (the "Bonds"), pursuant to County Ordinance 14167, as amended by County Ordinance 14463, County Ordinance 14745, County Ordinance 14992, County Ordinance 15285, County Ordinance 15604 and County Ordinance 16361 (collectively, the "Ordinance"); and

WHEREAS, at the request of the rating agencies rating the Bonds, the County wishes to clarify requirements of the Ordinance with respect to certain duties of the Bond Registrar;

NOW, THEREFORE, in consideration of the premises and of the agreements herein contained, the County and the Bond Registrar agree as follows:

Section 1. Definitions. Unless otherwise defined in this Agreement, all capitalized terms used herein shall have the meanings given such terms in the Ordinance.

Section 2. Liquidity Provider Bonds.

(a) Pursuant to Section 4.J.13(b) of the Ordinance, Bonds purchased by the Bond Registrar with proceeds of a Draw on the Liquidity Facility shall be registered in the name of the Liquidity Provider or its nominee (which may be the Securities Depository).

The Bond Registrar agrees to transfer the registration of Liquidity Provider Bonds upon a remarketing pursuant to Section 4.J.11(a)(iii)(B) only if the Bond Registrar has received written notice from the Liquidity Provider that the Liquidity Facility has been reinstated to the Available Amount.

(b) The Bond Registrar agrees not to make a Draw under the Liquidity Facility with respect to any Liquidity Provider Bond.

Section 3. Prior Lien of Bonds. The Bonds shall have a prior lien against all funds held by the Bond Registrar for the payment of the principal thereof, the interest thereon, the redemption price thereof upon redemption and the purchase price thereof upon tender.

Section 4. No Additional Security or Indemnity. No additional security or indemnity shall be required to be paid or provided by the County to the Bond Registrar prior to the Bond Registrar's exercise of its duties to make Draws under any Liquidity Facility, to give notices of

redemptions and mandatory tenders, and to make payment on the Bonds when due to the extent of funds available therefor.

Section 5. Defeasance of Bonds in Short-Term Mode or Term Mode. The County agrees that no defeasance of Bonds then in a Short-Term Mode or a Term Rate Mode shall be made pursuant to the Ordinance unless either:

(a) The County shall have received written notice from each Rating Agency then maintaining a rating on the Bonds to the effect that the rating then in effect with respect to such Bonds will not be withdrawn, reduced or suspended as a result of the proposed defeasance; or

(b) Money and/or Government Obligations maturing at such time(s) and bearing such interest to be earned thereon (without any reinvestment thereof) as will provide a series of payments that shall be sufficient to provide for the payment of the principal of, premium, if any, and interest (if the rate of interest is not fixed, at the Maximum Rate) on all or a designated portion of the Bonds on the earliest to occur of (1) their maturity date, (2) the first possible redemption date, or (3) the first possible date on which such Bonds must be tendered for purchase are set aside in a special account of the County to effect such payment and are irrevocably set aside and pledged for such purpose.

Section 6. Notices to Rating Agencies. Upon any extension, expiration, suspension or termination of the Liquidity Facility or the obtaining by the County of an Alternate Liquidity Facility, the Bond Registrar shall give notice thereof to each Rating Agency. To the extent that the Bond Registrar has received notice of the following events, the Bond Registrar shall also notify each Rating Agency of: (a) the conversion of Bonds from any Mode to any other Mode, (b) any amendments or modifications of the Ordinance, the Liquidity Facility or the Remarketing Agreement, (c) the appointment of a new Remarketing Agent or Bond Registrar, or (d) any redemption or defeasance of the Bonds.

Any notice required to be given to any Rating Agency hereunder shall be given by mail, first class postage prepaid, to its address set forth below, or at such other address as may be provided to the Bond Registrar in writing from time to time, namely:

Moody's Investors Service, Inc.
7 World Trade Center, 23rd Floor
250 Greenwich Street
Attention: Municipal Structured Products Group

Standard & Poor's Ratings Services,
a Division of the McGraw Hill Companies
55 Water Street
New York, New York 10041
Attention: Municipal Structured Surveillance

Fitch Ratings
One State Street Plaza
New York, New York 10004
Attention: Municipal Structured Finance

Section 7. Governing Law. This Agreement and the rights and obligations of the parties under this Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Washington.

Section 8. Counterparts. This Agreement may be executed in any number of copies and by the parties hereto on the same or separate counterparts, each of which shall be deemed to be an original instrument, and all of which shall constitute but one and the same instrument. Complete counterparts of this Agreement shall be lodged with the County and the Bond Registrar.

Section 9. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed and delivered as of the date first above written.

KING COUNTY, WASHINGTON

By: _____
Ken Guy, Director of Finance and
Business Operations Division

THE BANK OF NEW YORK MELLON,
as Bond Registrar

By: _____
Its: _____