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PASADENA PUBLIC FINANCING AUTHORITY

and

DEUTSCHE BANK NATIONAL TRUST COMPANY, N.A.

as Trustee

BOND INDENTURE

Dated as of February 1, 2006

[\$Principal Amount]  
PASADENA PUBLIC FINANCING AUTHORITY  
VARIABLE RATE DEMAND LEASE REVENUE BONDS  
(ROSE BOWL REFINANCING AND IMPROVEMENT PROJECTS), SERIES 2006

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## **BOND INDENTURE**

This **BOND INDENTURE**, dated as of February 1, 2006 (this "Indenture"), is by and between the PASADENA PUBLIC FINANCING AUTHORITY, a joint exercise of powers authority duly created by and existing under the laws of the State of California (the "Authority"), and DEUTSCHE BANK NATIONAL TRUST COMPANY, N.A., a national banking association duly organized and existing under the laws of the United States of America, being qualified to accept and administer the trusts hereby created (the "Trustee").

### **WITNESSETH:**

**WHEREAS**, the Authority was created pursuant to the Act and the Joint Powers Agreement (capitalized terms used in this Indenture shall have the meanings given such terms in Section 1.01); and

**WHEREAS**, the Authority desires to assist the City in providing for the acquisition, construction and installation of certain public improvements consisting of the Rose Bowl Improvements to the existing Leased Property and the City Hall Improvements to the City's City Hall and for the prepayment of the Certificates; and

**WHEREAS**, to accomplish such purpose, concurrently with the execution and delivery of this Indenture, the City is entering into a lease with the Authority, whereby the City will lease to the Authority the Leased Property; and

**WHEREAS**, the Authority has agreed to sublease to the City the Leased Property pursuant to the Sublease, and concurrently with the execution and delivery of this Indenture the City and the Authority are entering into the Sublease; and

**WHEREAS**, under the Sublease the City is obligated to make Base Rental Payments to the Authority consisting of a principal component in a fixed amount and an interest component consisting of variable amounts; and

**WHEREAS**, the Authority has authorized the issuance of its Variable Rate Demand Lease Revenue Bonds (Rose Bowl Refinancing and Improvement Projects), Series 2006, in an aggregate principal amount of [\$principal amount], to finance the costs of the Rose Bowl Improvements, the City Hall Improvements and the prepayment of the Certificates; and

**WHEREAS**, the principal of and interest on the Bonds will be payable from the Base Rental Payments and the Authority has assigned its right to receive the Base Rental Payments to the Trustee; and

**WHEREAS**, the proceeds of the Bonds will be used, *inter alia*, to (i) prepay the City's obligations with respect to the outstanding 1991 Certificates, (ii) prepay the City's obligations with respect to the outstanding 1996 Certificates, (iii) finance improvements to the Rose Bowl Stadium and related facilities, (iv) finance improvements to City Hall and related facilities and (v) pay the costs of issuing the Bonds; and

**WHEREAS**, the Bonds are to be initially issued in the Weekly Mode and the payment of the principal, Purchase Price of and interest on the Bonds will be supported by a Credit Facility issued by \_\_\_\_\_;

**WHEREAS**, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal and Purchase Price thereof and premium, if any, and interest thereon, the Authority has authorized the execution and delivery of this Indenture; and

**WHEREAS**, all acts and proceedings required by law necessary to make the Bonds, when executed by the Authority, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal limited obligations of the Authority, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Indenture have been in all respects duly authorized;

**NOW, THEREFORE, THIS INDENTURE WITNESSETH**, that in order to secure the payment of the principal and Purchase Price of and premium, if any, and the interest on all Bonds at any time issued and outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the holders thereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, the Authority does hereby covenant and agree with the Trustee, for the benefit of the respective holders from time to time of the Bonds, and with the Credit Provider, as follows:

## **ARTICLE I**

### **DEFINITIONS; CONTENT OF CERTIFICATES AND OPINIONS**

**Section 1.01 Definitions.** Unless the context otherwise requires, the terms defined in this Section and in Exhibit A attached hereto shall, for all purposes of this Indenture and of any indenture supplemental hereto and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

“Act” means the Joint Exercise of Powers Act, constituting Chapter 5 of Division 7 of Title 1 of the Government Code of the State (commencing with Section 6500), as amended and supplemented.

“Additional Rental” means the payments so designated and required to be made by the City pursuant to Section 5.01(b) of the Sublease.

“Alternate Rate” means (1) with respect to the Bonds in a Daily Mode, a Weekly Mode, a R-FLOATS Mode for an Interest Period of 35 days or less or a Unit Pricing Mode for an Interest Period of 30 days or less, an annual rate equal to the BMA Municipal Swap Index, prior to the



date such Alternate Rate is determined; and (2) with respect to the Bonds in a R-FLOATS Mode for an Interest Period of greater than 35 days, a Unit Pricing Mode for an Interest Period of greater than 30 days or in a Term Rate Mode, an annual rate equal to 75% of the highest quoted yield on United States Government Obligations – State and Local Government Series, with a maturity equal to the length of the Interest Period for which the Alternate Rate is calculated, which yield was published in Form PD4262, Department of Treasury, Bureau of Public Debt, as most recently published prior to the date such Alternate Rate is determined.

“Auction Mode” means the Mode during which the Bonds bear interest at the Auction Rate.

“Auction Rate” means the rate of interest to be borne by the Auction Rate Securities during each Auction Period, not greater than the Maximum Rate, determined in accordance with Section 2.12 of this Indenture and Section 1.05 of Exhibit A hereto.

“Authority” means the Pasadena Public Financing Authority or its successors and assigns.

“Authorized Representative” means (i) with respect to the City, the City Treasurer, the City Manager or the Finance Director of the City, or any other person designated as an Authorized Representative of the City by a Certificate of the City signed by the City Treasurer, City Manager or Finance Director and filed with the Trustee and (ii) with respect to the Authority, the Chairperson, the Vice Chairperson, the Executive Director or the Treasurer or any other person designated as an Authorized Representative of the Authority by a Certificate of the Authority signed by the Chairperson, Vice Chairperson, Executive Director or Treasurer and filed with the Trustee.

“Base Rental Payments” has the meaning given such term in the Sublease.

“BMA Municipal Swap Index” means The Bond Market Association™ Municipal Swap Index as disseminated by Municipal Market Data, a Thomson Financial Services Company, or its successor, for the most recently preceding Business Day.

“Bond Counsel” means legal counsel of recognized national standing in the field of obligations the interest on which is excluded from gross income for federal income tax purposes, selected by the City and not objected to by the Trustee or the Credit Provider.

“Bond Reserve Fund” means the fund by that name established in accordance with Section 3.05 hereof.

“Bond Reserve Fund Requirement” means, with respect to the Bonds, an amount equal to (a) one half of the least of (i) the maximum prospective annual Base Rental Payments with respect to Outstanding Bonds to be made by the City under the Sublease, (ii) 10% of the proceeds of the Bonds or (iii) 125% of the average annual Base Rental Payments with respect to Outstanding Bonds to be made by the City under the Sublease, so long as a Letter of Credit is available to make deposits for the payment of the interest and principal components of Base Rental Payments evidenced by the Bonds, and (b) thereafter, an amount equal to the least of (i) maximum prospective annual Base Rental Payments with respect to Outstanding Bonds to be

made by the City under the Sublease, (ii) 10% of the proceeds of the Bonds or (iii) 125% of the average annual Base Rental Payments with respect to Outstanding Bonds to be made by the City under the Sublease; provided, that in all instances, annual Base Rental Payments shall be calculated assuming an annual rate of interest of [six] percent with respect to any Bonds which are Variable Rate Bonds. The Certificate Reserve Fund Requirement with respect to any Series of Certificates may be satisfied by crediting to the account established within the Certificate Reserve Fund for such Series of Certificates a Reserve Facility.

“Bonds” means the Pasadena Public Financing Authority Variable Rate Demand Lease Revenue Bonds (Rose Bowl Refinancing and Improvements Projects), Series 2006, authorized by, and at any time Outstanding pursuant to, this Indenture.

“Business Day” means a day that is not a Saturday, Sunday or legal holiday on which banking institutions in the State, the State of New York or in any state in which the office of the Credit Provider (where draws under the Credit Facility are presented), the Remarketing Agent, the Tender Agent, if any, the Auction Agent, if any, or the Trustee is located are authorized to remain closed or a day on which the New York Stock Exchange is not closed.

“Certificate,” “Statement,” “Request,” “Requisition” and “Order” of the Authority or the City, mean, a written certificate, statement, request, requisition or order signed in the name of the Authority by an Authorized Representative of the Authority or in the name of the City by an Authorized Representative of the City, respectively. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.02, each such instrument shall include the statements provided for in Section 1.02.

“Certificates” means the 1991 Certificates and the 1996 Certificates.

“Charter” means the Charter of the City of Pasadena, California.

“City” means the City of Pasadena, a municipal corporation duly organized and existing under its Charter and the Constitution and laws of the State.

“City Hall Improvements” has the meaning set forth in Exhibit C to the Sublease.

“Code” means the Internal Revenue Code of 1986, as amended, or any successor statute thereto, and any regulations promulgated thereunder.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Authority or the City and related to the authorization, issuance, sale and delivery of the Bonds, including but not limited to costs of preparation and reproduction of documents, printing expenses, filing and recording fees, initial fees and charges of Bond Counsel, the Trustee and its counsel, the Remarketing Agent and its counsel, legal fees and charges, fees and disbursements of consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds that is a “costs of issuance” within Section 147(g) of the Code.

“Costs of Issuance Fund” means the fund by that name established pursuant to Section 3.03.

“Credit Facility” means a letter of credit, including, if applicable, a confirming letter of credit, bond insurance policy or similar credit facility issued by a commercial bank, savings institution, insurer or other financial institution which, by its terms, shall secure the payment of the principal of and interest on the Bonds when due, and provide for the payment of the Purchase Price of Bonds tendered or deemed tendered and not remarketed, and delivered to the Trustee, including a Substitute Credit Facility. The initial Credit Facility for the Bonds shall be an irrevocable direct pay letter of credit issued by Citibank, N.A.

“Credit Facility Bonds” means Bonds purchased by a Credit Provider pursuant to a Credit Facility, but excluding Bonds no longer considered Credit Facility Bonds pursuant to the terms of such Credit Facility.

“Credit Facility Deposit Account” means the account by that name within the Purchase Fund established pursuant to Section 4.12.

“Credit Provider” means the commercial bank, savings institution, insurer or other financial institution issuing a Credit Facility. The initial Credit Provider shall be Citibank, N.A.

“Current Mode” shall have the meaning specified in Section 2.13.

“Daily Mode” means the Mode during which the Bonds bear interest at the Daily Rate.

“Daily Rate” means an interest rate that is determined on each Business Day with respect to the Bonds in the Daily Mode pursuant to Section 2.06.

“Depository Participant” means a member of, or participant in, the Securities Depository.

“Electronic Means” means telecopy, telegraph, telex, facsimile transmission, email transmission or other similar electronic means of communication, including a telephonic communication confirmed by writing or written transmission.

“Eligible Bonds” means any Bonds other than Credit Facility Bonds or Bonds owned by, for the account of, or on behalf of, the Authority or the City.

“Escrow Funds” means the escrow fund established under that certain Escrow Agreement, dated February 16, 2006, between the City and the 1996 Trustee relating to the 1991 Certificates and the escrow fund established under that certain Escrow Agreement, dated February 16, 2006, between the City and the 1996 Trustee relating to the 1996 Certificates.

“Event of Default” means any of the events specified in Section 7.01.

“Expiration Date” means the date upon which a Credit Facility is scheduled to expire (taking into account any extensions of such Expiration Date) in accordance with its terms without regard to any early termination thereof.

“Favorable Opinion of Bond Counsel” means, with respect to any action the occurrence of which requires such an opinion, an unqualified Opinion of Counsel, which shall be Bond Counsel, to the effect that such action is permitted under this Indenture and will not, in and of itself, result in the inclusion of interest on the Bonds in gross income for federal income tax purposes (subject to the inclusion of any exceptions contained in the opinion delivered upon original issuance of the Bonds).

“Fitch” means Fitch Ratings, a corporation organized and existing under the laws of the state of its organization, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the City by notice to the Authority, the Credit Provider and the Trustee.

“Fixed Rate” means the interest rate on the Bonds determined pursuant to Section 2.10.

“Fixed Rate Bonds” means the Bonds during the Fixed Rate Mode.

“Fixed Rate Mode” means the Mode during which the Bonds bear interest at a Fixed Rate.

“Holder” or “Bondholder,” when used with respect to a Bond, means the Person in whose name such Bond is registered.

“Indenture” means this Bond Indenture, dated as of February 1, 2006, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture.

“Indexed Mode” means the Mode during which the Bonds bear interest at the Indexed Rate.

“Indexed Rate” means an interest rate that is determined with respect to the Bonds in the Indexed Mode pursuant to Section 2.07, provided, however, the Indexed Rate shall never exceed the Maximum Rate.

“Interest Fund” means the fund by that name established pursuant to Section 5.02.

“Interest Payment Date” means (1) with respect to the Bonds in a Unit Pricing Mode (a) with an Interest Period of 180 days or less, the Purchase Date, and (b) with an Interest Period of 181 days or more, the first Business Day of each June 1 and December 1 prior to the Purchase Date and the Purchase Date; (2) with respect to the Bonds in a Daily Mode, a Weekly Mode or a R-FLOATs Mode other than Bonds in a Special R-FLOATs Rate Period, the first Business Day of each month; (3) with respect to the Bonds in a Special R-FLOATs Rate Period of 90 days or less, the first Business Day of the month following the last day of such Special R-FLOATs Rate Period and with respect to the Bonds in a Special R-FLOATs Rate Period of more than 90 days, the first Business Day of each third month following the commencement of such Special R-FLOATs Rate Period and the first Business Day of the month following the last day of such Special R-FLOATs Rate Period; (4) with respect to the Bonds in a Term Rate Mode, each June 1 and December 1 prior to the Purchase Date and the Purchase Date; (5) with respect to the Bonds

in the Fixed Rate Mode, each June 1 and December 1; (6) with respect to Auction Rate Securities, the Business Day immediately following the last day of the Initial Period and the Business Day immediately following the last day of each subsequent Auction Period; unless such Auction Period has been changed pursuant to Section 1.10 of Exhibit A to this Indenture to a period of 180 days or more in which case each June 1 and December 1 and the Business Day immediately following the last day of such Auction Period or unless such Auction Period has been changed pursuant to Section 1.10 of Exhibit A to this Indenture to a six-month Auction Period in which case to the next succeeding June 1 or December 1; (7) any Mode Change Date; (8) with respect to the Bonds in an Indexed Mode the dates determined by the Remarketing Agent pursuant to Section 2.07 hereof; (9) with respect to the Bonds in a Stepped Coupon Mode the dates determined by the Remarketing Agent pursuant to Section 2.08 hereof; (10) the Maturity Date of the Bonds; and (11) with respect to Credit Facility Bonds, the dates set forth in the Credit Facility.

“Interest Payment Period” means the period commencing on the last Interest Payment Date to which interest has been paid (or, if no interest has been paid in such Mode, from the date of original issuance of the Bonds, or the Mode Change Date, as the case may be) to, but not including, the Interest Payment Date on which interest is to be paid.

“Interest Period” means the period of time that an interest rate remains in effect, which period:

(1) when the Bonds are in a Daily Mode, commences on a Business Day and extends to, but does not include, the next succeeding Business Day;

(2) when the Bonds are in a Weekly Mode, commences on the first day the Bonds begin to accrue interest in the Weekly Mode and ends on the next succeeding Tuesday, and thereafter commences on each Wednesday and ends on Tuesday of the following week;

(3) when the Bonds are in a R-FLOATs Mode: (i) bearing interest at a weekly R-FLOATs Rate commences on the first day Bonds begin to accrue interest in the weekly R-FLOATs Mode and ends on the next succeeding Wednesday, and thereafter commences on each Thursday and ends on Wednesday of the following week (ii) bearing interest at a monthly R-FLOATs Rate commences on the first day Bonds begin to accrue interest at the monthly R-FLOATs Mode and ends on the day immediately preceding the first Business Day of the next succeeding month, and thereafter commences on the first Business Day of each month and ends on the day preceding the first Business Day of the next succeeding month; and (iii) a Special R-FLOATs Rate Period;

(4) when the Bonds are in a Unit Pricing Mode, shall be established by the Remarketing Agent pursuant to Section 2.05;

(5) when the Bonds are in an Indexed Mode, shall be as established for such Bonds pursuant to Section 2.07 hereof;

(6) when the Bonds are in the Stepped Coupon Mode, shall be as established for such Bonds pursuant to Section 2.08 hereof;

(7) when the Bonds are in a Term Rate Mode, initially, shall be from and including the Mode Change Date to, but not including, the Purchase Date established for such Bond pursuant to Section 2.09 hereof and thereafter shall be from and including such Purchase Date to but not including the next Purchase Date; and

(8) when the Bonds are in an Auction Mode, shall be the Auction Period; and

(9) when the Bonds are in the Fixed Rate Mode, commences on the first day Bonds begin to accrue interest in the Fixed Rate Mode and ends on the day prior to the final maturity date of the Bonds; and

(10) when the Bonds are Credit Provider Bonds, as provided in the Reimbursement Agreement.

“Interested Parties” means the City, the Authority, the Trustee and the Tender Agent.

“Investment Securities” means any of the following to the extent then permitted by applicable laws and any investment policies of the City:

(1) Any bonds or other obligations which, as to principal and interest, constitute direct obligations of, or are unconditionally guaranteed by the United States, including obligations of any federal agencies, to the extent such obligations are unconditionally guaranteed by the United States of America, as to full and timely payments which, in the Opinion of Counsel, will not impair the exemption from federal income taxation of the interest component of the Base Rental Payments, but not including interests or shares in any type or form of investment company which may invest in any of the foregoing;

(2) Obligations issued by banks for cooperatives, federal land banks, federal intermediate credit banks, federal home loan banks, the Federal Home Loan Bank Board, or obligations, participations, or other instruments of or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association, the Government National Mortgage Association or the Federal Home Loan Mortgage Corporation; or guaranteed Small Business Administration notes or portions thereof;

(3) Obligations of the State or of any state or any local agency of either thereof which are rated not lower than the highest rating on any Bonds provided by the Rating Agency;

(4) Bills of exchange or time drafts drawn on and accepted by a commercial bank, including the Trustee and its affiliates, rated not lower than the highest rating on any Bonds provided by the Rating Agency, otherwise known as bankers acceptances, which are eligible for purchase by the Federal Reserve System;

(5) Commercial paper of “prime” quality of the highest ranking or of the highest letter and numerical rating as provided for by the Rating Agency

issued by corporations that are organized and operating within the United States and having a rating for such issuing corporation's debentures, other than commercial paper, not lower than the highest rating on any Bonds provided by the Rating Agency;

(6) Negotiable certificates of deposit issued by a nationally or state-chartered bank, including the Trustee and its affiliates, or a state or federal savings and loan association or by a state-licensed branch of a foreign bank qualified as a depository of public funds in the State of California which are rated not lower than the highest rating on any Bonds provided by the Rating Agency, including the Trustee or any affiliate thereof;

(7) Any repurchase agreement or reverse repurchase agreement with members of the Association of Primary Dealers of United States Government Securities which are rated not lower than the highest rating on any Bonds provided by the Rating Agency, or institutions insured by the Federal Deposit Insurance Corporation, to the extent such agreements are fully collateralized at levels acceptable to the Rating Agency by obligations described in clauses (1) and (2) of this definition, if the Trustee holds or appoints some intermediary bank or savings association to hold the collateral securing such agreement and the Trustee or its appointed agent has a first priority security interest in such collateral, and the repurchase agreement or reverse repurchase agreement is free and clear of any third party lien or claim;

(8) For amounts less than \$10,000, interest-bearing demand or time deposits (including certificates of deposit) in a national or state-chartered bank, including the Trustee and its affiliates, or state or federal savings and loan association in the State of California, fully insured by the Federal Deposit Insurance Corporation or any successor thereto, including the Trustee or any affiliate thereof;

(9) Certificates or obligations issued by the City which are rated not lower than the highest rating on any Bonds provided by the Rating Agency, including bonds or obligations payable solely out of the revenues from a revenue-producing property owned, controlled or operated by the City or by a department, board, agency or authority thereof;

(10) Shares in money market funds which are rated not lower than the highest rating on any Bonds provided by the Rating Agency, investing in the securities and obligations as authorized by clauses (1) to (9), inclusive, of this definition and which comply with the investment restrictions of Articles 1 and 2 of Chapter 4 of Title 5 of the California Government Code (commencing with Section 53630). To be eligible for investment pursuant to this clause (10) these companies shall either: (1) attain the highest ranking or the highest letter and numerical rating provided by not less than two of the three largest nationally recognized rating services, or (2) have an investment adviser registered with the Securities and Exchange Commission with not less than five years experience

investing in the securities and obligations as authorized by clauses (1) to (9), inclusive, of this definition and with assets under management in excess of \$500,000,000. The Trustee, its affiliates or subsidiaries may provide investment advisory or other management services. The purchase price of shares of beneficial interest purchased pursuant to this clause (10) shall not include any commission that these companies may charge;

(11) Investment agreements reviewed by and acceptable to the Rating Agency which are with investment institutions having long-term obligations which are rated not lower than the highest rating on any Bonds provided by the Rating Agency; provided that if such rating is below the two highest rating categories, the investment agreement shall require the Trustee to replace such financial institution or shall provide for the invested securities to be fully collateralized by investments described in clause (1) above and, if so collateralized, the Trustee shall have a perfected first security lien on the collateral and such collateral shall be held by the Trustee or its agent;

(12) Any other investments which the City deems to be prudent investments and in which the City directs the Trustee to invest, provided that such investments are either: (i) rated not lower than the highest rating on any Bonds provided by the Rating Agency at the time of such investment; or (ii) are issued by an entity the corporate debt of which is so rated by the Rating Agency; or (iii) are issued by an insurance company with a claims paying rating of not lower than the highest rating on any Bonds provided by the Rating Agency; provided, however, with respect to any moneys on deposit in any account within the Prepayment Fund, such other investments also shall have been approved by the Credit Provider; and

(13) Investments in a money market fund (including those of the Trustee and affiliates of the Trustee) rated "AAAm" or "AAAm-G" or better by S&P and "Aaa" or "Aa1" or better by Moody's.

"Joint Powers Agreement" means the Joint Exercise of Powers Agreement, dated April 24, 2000, by and between the City and the Pasadena Community Development Commission, as amended and supplemented.

"Lease" means that certain Lease, dated as of February 1, 2006, by and between the City and the Authority, and as the same may be further amended and supplemented from time to time in accordance herewith and therewith.

"Leased Property" has the meaning set forth in the preambles to the Sublease.

"Letter of Credit" means irrevocable letter of credit no. S00043503/STRS-42, dated July 27, 2001, and issued on a several and not joint basis by The Bank of New York and the California State Teachers' Retirement System.

"Letter of Credit Fund" means the fund by that name established in accordance with Section 3.06 hercof.



“Mandatory Purchase Date” means: (1) any Purchase Date for Bonds in the Unit Pricing Mode or the Term Rate Mode; (2) any Mode Change Date; (3) the effective date of an elective change to a Special R-FLOATs Rate Period of greater than 35 days; and (4) unless the provisions of Section 4.10 are satisfied, any Termination Date, Substitute Credit Facility Date or Expiration Date.

“Mandatory Sinking Account Payment” means the amount required by Sections 4.01(g) and 5.03 to be paid by the Trustee on any single date for the retirement of Bonds.

“Maturity Date” means December 1, 2023, or with respect to the Bonds upon change to the Stepped Coupon Mode such maturities determined pursuant to Section 2.08 or upon change to the Fixed Rate Mode such maturities determined pursuant to Section 2.10.

“Maximum Rate” means the lesser of 12% per annum and the maximum interest rate permitted by law.

“Mode” means, as the context may require, the Auction Mode, the Unit Pricing Mode, the Daily Mode, the Weekly Mode, the R-FLOATs Mode, the Indexed Mode, the Stepped Coupon Mode, the Term Rate Mode or the Fixed Rate Mode.

“Mode Change Date” means the day following the last day of one Mode for the Bonds on which another Mode begins.

“Moody’s” means Moody’s Investors Service, a corporation organized and existing under the laws of the state of its organization, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the City by notice to the Authority, the Credit Provider and the Trustee.

“New Mode” shall have the meaning specified in Section 2.13.

“1991 Certificates” means the \$12,700,000 City of Pasadena 1991 Variable Rate Demand Certificates of Participation (Rose Bowl Improvements Project), executed and delivered pursuant to the Trust Agreement, dated as of December 1, 1991, among Bank of America National Trust and Savings Association, as trustee, the City and the Pasadena Civic Improvement Corporation, of which \$6,000,000 1991 Certificates are currently outstanding.

“1996 Certificates” means the \$21,200,000 City of Pasadena 1996 Certificates of Participation (Additional Rose Bowl Improvements Project), executed and delivered pursuant to the Amended and Restated Trust Agreement, dated as of June 1, 1996, among BNY Western Trust Company, as trustee, the City and the Pasadena Civic Improvement Corporation, of which \$14,100,000 1996 Certificates are currently outstanding.

“1996 Trustee” means The Bank of New York Trust Company, N.A. as successor trustee to BNY Western Trust Company in connection with the Certificates.

“Non-Remarketing Period” has the meaning specified in Section 2.06(F)(1).

“Opinion of Counsel” means a written opinion of counsel (who may be counsel for the Authority) selected by the Authority. If and to the extent required by the provisions of Section 1.02, each Opinion of Counsel shall include the statements provided for in Section 1.02.

“Optional Redemption Account” means the account by that name within the Redemption Fund established pursuant to Section 5.04.

“Outstanding,” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 11.09) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except: (1) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation; (2) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with Section 10.02, including Bonds (or portions of Bonds) referred to in Section 11.10; and (3) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to this Indenture.

“Person” means an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Principal Corporate Trust Office” means the office of the Trustee designated in Section 11.07, or such other office of the Trustee designated in writing to the Authority, the City, the Credit Provider and the Remarketing Agent.

“Principal Fund” means the fund by that name established pursuant to Section 5.03.

“Principal Payment Date” means, with respect to a Bond, the date on which principal of such Bond becomes due and payable, either by maturity, redemption or otherwise.

“Project Fund” means the fund by that name established pursuant to Section 3.04.

“Purchase Date” means (i) during the Unit Pricing Mode or the Term Rate Mode with respect to the Bonds, the date determined by the Remarketing Agent on the most recent Rate Determination Date as the date on which such Bonds shall be subject to purchase, (ii) during the Daily Mode or the Weekly Mode, any Business Day and (iii) for a Bond in the weekly R-FLOATs Mode, any Rate Determination Date, for a Bond in the monthly R-FLOATs Mode any Interest Payment Date, and for a Bond in the Special R-FLOATs Rate Period the Interest Payment Date immediately following such Special R-FLOATs Rate Period, provided that the Bonds in the R-FLOATs Mode are entitled to be purchased only to the extent the proceeds of a remarketing are available for such purchase.

“Purchase Fund” means the fund by that name established pursuant to Section 4.12.

“Purchase Price” means (i) an amount equal to the principal amount of any Bonds purchased on any Purchase Date, plus, in the case of any purchase of Bonds in the Daily Mode, the Weekly Mode or the R-FLOATs Mode, accrued interest thereon, if any, to the Purchase Date, or (ii) an amount equal to the principal amount of any Bonds purchased on a Mandatory Purchase Date, plus accrued interest thereon, if any, to the Mandatory Purchase Date.

“Rate Determination Date,” when used with respect to the Bonds, means the date on which the interest rate(s) with respect to the Bonds shall be determined, which (i) in the case of the Unit Pricing Mode, shall be the first day of an Interest Period; (ii) in the case of the Daily Mode, shall be each Business Day commencing with the first day the Bonds become subject to the Daily Mode; (iii) in the case of the initial conversion to the Weekly Mode, shall be no later than the Mode Change Date, and thereafter, shall be each Wednesday or, if Wednesday is not a Business Day, the next Business Day immediately preceding such Wednesday; (iv) in the case of the initial conversion to the R-FLOATs Mode, shall be no later than the Business Day prior to the Mode Change Date, and thereafter, shall be in the case of R-FLOATs with a weekly R-FLOATs Rate each Thursday or, if Thursday is not a Business Day, the next succeeding day which is a Business Day, in the case of R-FLOATs with a monthly R-FLOATs Rate the first Business Day of each month and in the case of R-FLOATs in a Special R-FLOATs Rate Period the first day of such Special R-FLOATs Rate Period; (v) in the case of the Term Rate Mode, shall be a Business Day no earlier than 30 Business Days and no later than the Business Day immediately preceding the first day of an Interest Period; (vi) in the case of the Indexed Mode, the Stepped Coupon Mode and the Fixed Rate Mode, shall be a date determined by the Remarketing Agent which shall be at least one Business Day prior to the Mode Change Date; and (vii) in the case of Auction Rate Securities, shall be the Auction Date.

“Rating Agency” means, as of any time and to the extent it is then providing or maintaining a rating on the Bonds, each of Fitch, Moody’s and S&P, or in the event that neither Fitch, Moody’s nor S&P then maintains a rating on the Bonds, any other nationally recognized rating agency then providing or maintaining a rating on the Bonds.

“Rating Category” means one of the general rating categories of the Rating Agencies without regard to any refinement or graduation of such rating category by numerical modifier or otherwise.

“Rebate Fund” means the fund by that name established pursuant to Section 5.06.

“Record Date” means (i) with respect to the Bonds in a Unit Pricing Mode, a Daily Mode, a Weekly Mode, a R-FLOATs Mode or an Auction Mode, the day (whether or not a Business Day) immediately preceding each Interest Payment Date and (ii) with respect to the Bonds in an Indexed Mode, a Stepped Coupon Mode, a Term Rate Mode or a Fixed Rate Mode, the 15th day (whether or not a Business Day) of the month immediately preceding each Interest Payment Date.

“Redemption Fund” means the fund by that name established pursuant to Section 5.04.

“Redemption Price” means, with respect to any Bond (or portion thereof), the principal amount of such Bond (or portion) plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bond and this Indenture.

“Reimbursement Agreement” means, with respect to any Credit Facility, the agreement or agreements between the City and the applicable Credit Provider, as originally executed or as it or they may from time to time be replaced, supplemented or amended in accordance with the provisions thereof, providing for the issuance of the Credit Facility and the reimbursement of the

Credit Provider for payments thereunder, together with any related pledge agreement, security agreement or other security document. A Credit Facility and the related Reimbursement Agreement may be a single document. The initial Reimbursement Agreement is the Letter of Credit Reimbursement Agreement, dated as of February 1, 2006, between the City and Citibank, N.A.

“Remarketing Agent” means any remarketing agent appointed by the Authority in accordance with Sections 4.13 and 4.14 and not objected to by the City or the Credit Provider, and at the time serving as such under the Remarketing Agreement. The initial Remarketing Agent for the Bonds shall be Merrill Lynch, Pierce, Fenner & Smith Incorporated.

“Remarketing Agreement” means that certain remarketing agreement between the Authority and the Remarketing Agent, as such agreement may from time to time be amended and supplemented, to remarket the Bonds delivered or deemed to be delivered for purchase by the Holders thereof, subject to approval by the City and the Credit Provider, which approval shall not be unreasonably withheld.

“Remarketing Proceeds Account” means the account by that name within the Purchase Fund established pursuant to Section 4.12.

“Rental Payments” means, collectively, the Base Rental Payments and the Additional Rental.

“Reserve Facility” means a letter of credit or other credit facility issued by a financial institution or other form of credit enhancement and any replacements thereto, including, but not limited to, surety bonds and guarantees delivered to the Trustee to meet all or a portion of the Bond Reserve Fund Requirement.

“R-FLOATs Mode” means the Mode during which the Bonds bear interest at the R-FLOATs Rate.

“R-FLOATs Rate” means an interest rate that is determined with respect to the Bonds in any R-FLOATs Mode pursuant to Section 2.06(d) hereof, unless the Bonds are in a Non-Remarketing Period in which case at the Maximum Rate pursuant to Section 2.06(f) hereof or in a Special R-FLOATs Rate Period in which case pursuant to Section 2.06(e) hereof.

“Required Stated Amount” means, at any time of calculation with respect to the Bonds, an amount equal to the aggregate principal amount of such Bonds then Outstanding together with interest accruing thereon (assuming an annual rate of interest equal to the Maximum Rate) for the period specified in a Certificate of the Authority to be the minimum period specified by the Rating Agencies as necessary to maintain, in the case of the Credit Facility, the long-term rating of the Bonds.

“Revenues” means all amounts received by the Authority or the Trustee for the account of the Authority pursuant or with respect to the Sublease, including, without limiting the generality of the foregoing, Base Rental Payments and Additional Rental (including both timely and delinquent payments, any late charges, and whether paid from any source), prepayments, insurance proceeds, condemnation proceeds, and all interest, profits or other income derived

from the investment of amounts in any fund or account established pursuant to this Indenture, but not including any moneys required to be deposited in the Rebate Fund or the Purchase Fund.

“Rose Bowl Improvements” has the meaning set forth in Exhibit C to the Sublease.

“S&P” means Standard & Poor’s, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the state of its organization, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the City by notice to the Authority, the Credit Provider and the Trustee.

“Securities Depository” means The Depository Trust Company and its successors and assigns, or any other securities depository selected as set forth in Section 2.21, which agrees to follow the procedures required to be followed by such securities depository in connection with the Bonds.

“Special Record Date” means the date established by the Trustee pursuant to Section 2.02 as a record date for the payment of defaulted interest on the Bonds.

“Special Redemption Account” means the account by that name within the Redemption Fund established pursuant to Section 5.04.

“Special R-FLOATs Rate Period” means a period which ends on the last day of a month and which the Remarketing Agent determines is the shortest period which will enable the Remarketing Agent to remarket Bonds in the R-FLOATs Mode at par plus accrued interest.

“State” means the State of California.

“Stepped Coupon Mode” means the Mode during which the Bonds bear interest at the Stepped Coupon Rate.

“Stepped Coupon Period” has the meaning ascribed thereto in Section 2.08 hereof.

“Stepped Coupon Rate” means an interest rate that is determined with respect to the Bonds in the Stepped Coupon Mode pursuant to Section 2.08, provided, however, the Stepped Coupon Rate shall never exceed the Maximum Rate.

“Sublease” means that certain Sublease, dated as of February 1, 2006, between the Authority and the City, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof and of this Indenture.

“Sublease Default Event” means any of the events specified in Section 10.01 of the Sublease.

“Substitute Credit Facility” means a Credit Facility, delivered to the Trustee pursuant to Section 4.03 of the Sublease.