

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based on an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "TAX MATTERS" herein.

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**PASADENA PUBLIC FINANCING AUTHORITY
VARIABLE RATE DEMAND LEASE REVENUE BONDS
(ROSE BOWL REFINANCING AND IMPROVEMENT PROJECTS),
SERIES 2006**

Dated: Date of Delivery

Price: 100%

Due: December 1, 2023

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of the above-captioned bonds (the "Bonds"). Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds will initially bear interest at a Weekly Rate. While the Bonds are in the Weekly Mode, interest will be computed on the basis of a 365/366-day year and actual days elapsed and will be payable on the first Business Day of each calendar month, commencing March 1, 2006. The Bonds may be converted to bear interest at a Daily Rate, Unit Pricing Rate, Term Rate, Auction Rate, Indexed Rate, Stepped Coupon Rate, R-FLOAT Rate or Fixed Rate, as provided in the Indenture, dated as of February 1, 2006 (the "Indenture"), by and between the Pasadena Public Financing Authority (the "Authority") and Deutsche Bank National Trust Company, N.A., as trustee (the "Trustee"). **This Official Statement describes certain terms of the Bonds while the Bonds are in the Weekly Mode. There are significant changes in the terms of the Bonds not described in this Official Statement when the Bonds are not in the Weekly Mode. Owners and prospective purchasers of the Bonds should not rely on this Official Statement for information concerning the Bonds in connection with the conversion of the Bonds to another Mode but should look solely to the offering document to be used in connection with such conversion to another Mode. The Bonds are subject to mandatory tender for purchase upon any such conversion to another Mode.**

The Bonds are being issued in fully registered form and, when issued, will be registered in the name of Cede & Co., a nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases of interests in the Bonds will be made in book-entry form only, in the principal amount of \$100,000 or any integral multiple of \$5,000 in excess thereof. Purchasers of such interests will not receive certificates representing their interests in the Bonds purchased. Principal, purchase price, interest and premium, if any, are payable directly to DTC by the Trustee. Upon receipt of such payments, DTC is obligated in turn to remit such payments to the DTC participants for subsequent disbursement to the Beneficial Owners of the Bonds, as described herein. See Appendix C – "BOOK-ENTRY SYSTEM."

The Bonds are subject to redemption and tender for purchase prior to maturity, as described herein.

The Bonds are being issued to prepay certain outstanding obligations of the City, to finance certain improvements to the City's Rose Bowl Stadium and the City's City Hall, to fund a debt service reserve fund for the Bonds and to pay the costs of issuing the Bonds. See "SOURCES AND USES OF FUNDS," "PLAN OF REFUNDING" and "THE PROJECT" herein.

While the Bonds are in the Weekly Mode, payment of the principal, purchase price of, and interest on the Bonds will be supported by an irrevocable, direct-pay letter of credit (the "Letter of Credit") issued by Citibank, N.A. (the "Bank")

[insert Bank Logo]

pursuant to and subject to the terms of a Letter of Credit Reimbursement Agreement. The Letter of Credit will be in effect from the date of issuance of the Bonds through the occurrence of the earliest of the termination events described herein. See "THE LETTER OF CREDIT AND THE REIMBURSEMENT AGREEMENT" herein.

While the Bonds will be special obligations of the Authority payable as to principal and interest from Base Rental Payments to be made by the City of Pasadena (the "City") under a Sublease, dated as of February 1, 2006 (the "Sublease"), and the other funds pledged therefor under the Indenture, as long as the Bonds are in the Weekly Mode, such principal and interest will be paid first from amounts made available under the Letter of Credit. While in the Weekly Mode, the Bonds are subject to tender for purchase on no more than five Business Days notice. The purchase price of tendered Bonds will be payable solely from proceeds of the remarketing of such Bonds and amounts made available under the Letter of Credit. **Accordingly, this Official Statement does not contain financial or operating information relating to the City and the decision to purchase or hold Bonds should be made solely on the basis of the creditworthiness of the Bank.**

The Bonds will not constitute obligations, nor evidence any indebtedness of the City or the State of California (the "State"), or of any political subdivision thereof (other than the special obligations of the Authority as provided in the Indenture), and neither the faith and credit nor the taxing power of the Authority, the City or the State, or any political subdivision thereof, is pledged to the payment of the Bonds.

The obligation of the City to make the Rental Payments under the Sublease does not constitute a debt of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. The obligation to make such Rental Payments does not constitute an indebtedness of the City or the State or of any political subdivision thereof within the meaning of any constitutional or statutory debt limit or restriction.

The Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval of legality by Orrick, Herrington & Sutcliffe LLP, Bond Counsel, and to certain other conditions. Certain other legal matters will be passed upon for the City by the City Attorney. Certain legal matters will be passed upon for the Underwriter by its counsel, Hawkins Delafield & Wood LLP, and for the Bank by its counsel, Sidley Austin Brown & Wood LLP. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about February 16, 2006.

Merrill Lynch & Co.

Dated: February ____, 2006

No dealer, broker, salesperson or other person has been authorized by the Authority or the City to give any information or to make any representation other than those contained herein and, if given or made, such other information or representation may not be relied upon as having been authorized by the Authority or the City. This Official Statement does not constitute an offer to sell or a solicitation or an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts.

The information set forth herein has been obtained from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriter. The information and expression of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create an implication that there has been no change in the affairs of the Authority or the City since the date hereof.

In connection with this offering, the Underwriter may over-allot or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

City of Pasadena
117 East Colorado Boulevard
Pasadena, California 91105

CITY OF PASADENA
and
PASADENA PUBLIC FINANCING AUTHORITY

CITY COUNCIL/AUTHORITY BOARD OF DIRECTORS
Bill Bogaard, Mayor/Chairman
Steve Madison (District 6), Vice Mayor/Vice Chairman
Joyce Streater (District 1), Council Member/Board Member
Paul Little (District 2), Council Member/Board Member
Chris Holden (District 3), Council Member/Board Member
Steve Haderlein (District 4), Council Member/Board Member
Victor Gordo (District 5), Council Member/Board Member
Sidney F. Tyler, Jr. (District 7), Council Member/Board Member

CITY STAFF
Cynthia J. Kurtz, City Manager
Michele Beal Bagneris, City Attorney/City Prosecutor
Steven B. Mermell, Acting Director of Finance
Vicken (Vic) Erganian, City Treasurer
Jane L. Rodriguez, City Clerk

SPECIAL SERVICES

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Los Angeles, California

TRUSTEE
Deutsche Bank National Trust Company, N.A.
San Francisco, California

FINANCIAL ADVISOR
Montague DeRose and Associates, LLC
Westlake Village, California

VERIFICATION AGENT
Grant Thornton LLP
Minneapolis, Minnesota

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OFFICIAL STATEMENT

\$ _____
**PASADENA PUBLIC FINANCING AUTHORITY
VARIABLE RATE DEMAND LEASE REVENUE BONDS
(ROSE BOWL REFINANCING AND IMPROVEMENT PROJECTS),
SERIES 2006**

INTRODUCTION

General

The purpose of this Official Statement, including the cover page and the appendices hereto, is to provide certain information concerning the sale and delivery of the \$ _____ principal amount of Variable Rate Demand Lease Revenue Bonds (Rose Bowl Refinancing and Improvement Projects), Series 2006 (the "Bonds") of the Pasadena Public Financing Authority (the "Authority"). The Bonds will be issued pursuant to the Bond Indenture, dated as of February 1, 2006 (the "Indenture"), by and between the Authority and Deutsche Bank National Trust Company, N.A., as trustee (the "Trustee").

This Official Statement describes certain terms of the Bonds while the Bonds are in the Weekly Mode. There are significant changes in the terms of the Bonds not described in this Official Statement when the Bonds are not in the Weekly Mode. Owners and prospective purchasers of the Bonds should not rely on this Official Statement for information concerning the Bonds in connection with the conversion of the Bonds to another Mode but should look solely to the offering document to be used in connection with such conversion to another Mode. The Bonds are subject to mandatory tender for purchase upon any such conversion to another Mode.

Definitions of certain terms used in this Official Statement are set forth in Appendix A – "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – DEFINITIONS OF CERTAIN TERMS."

Sources of Payment of the Bonds

While the Bonds will be special obligations of the Authority payable as to principal and interest from Base Rental Payments to be made by the City of Pasadena (the "City") under a Sublease, dated as of February 1, 2006 (the "Sublease"), and the other funds pledged therefor under the Indenture, as long as the Bonds are in the Weekly Mode, such principal and interest will be paid first from amounts made available under an irrevocable, direct pay letter of credit (the "Letter of Credit") issued by Citibank, N.A. (the "Bank"). While in the Weekly Mode, the Bonds are subject to tender for purchase on no more than five Business Days notice. The purchase price of tendered Bonds will be payable solely from proceeds of the remarketing of such Bonds and amounts made available under the Letter of Credit. **Accordingly, this Official Statement does not contain financial or operating information relating to the City and the decision to purchase or hold Bonds should be made solely on the basis of the creditworthiness of the Bank.**

The Bonds will not constitute obligations, nor evidence any indebtedness of the City or the State of California (the "State"), or of any political subdivision thereof (other than the special obligations of the Authority as provided in the Indenture), and neither the faith and credit nor the taxing power of the Authority, the City or the State, or any political subdivision thereof, is pledged to the payment of the Bonds.

Letter of Credit

The Letter of Credit will be delivered pursuant to the terms of a Letter of Credit Reimbursement Agreement (the "Reimbursement Agreement"), dated as of February 1, 2006, by and between the City and the Bank. The Letter of Credit will be in effect from the date of issuance of the Bonds through the occurrence of the earliest of the termination events described herein. The Letter of Credit will be available to pay up to (i) \$_____ to pay principal on the Bonds when due, or to pay the principal portion of the purchase price of Bonds tendered or deemed tendered for purchase and not remarketed, plus (ii) \$_____ to pay accrued interest on the Bonds when due or to pay the interest portion of the purchase price of Bonds tendered or deemed tendered for purchase and not remarketed. The Letter of Credit constitutes a Credit Facility pursuant to the Indenture and the Bank is a Credit Provider pursuant to the Indenture. See "THE LETTER OF CREDIT AND THE REIMBURSEMENT AGREEMENT."

Base Rental Payments

The City will lease the Rose Bowl Stadium, together with all improvements thereon (collectively, the "Leased Property") to the Authority pursuant to a Lease, dated as of February 1, 2006 (the "Lease"), between the Authority and the City. The Authority in turn will sublease the Leased Property to the City pursuant to the Sublease. The City will pay Base Rental Payments under the Sublease for its right to use and possess the Leased Property. Under the Indenture, the Authority will assign to the Trustee for the benefit of the Owners of the Bonds substantially all of the Authority's rights in and to the Sublease, including its right to receive the Base Rental Payments thereunder. The Base Rental Payments and certain Additional Rental will be used to reimburse the Bank for draws on the Letter of Credit.

The Base Rental Payments to be made by the City under the Sublease may be abated during any period in which, by reason of material damage, destruction, condemnation or title defect, there is substantial interference with the City's use of the Leased Property or any portion thereof. See "SECURITY AND SOURCES OF PAYMENT OF THE BONDS – Base Rental Payments."

The obligation of the City to make the Rental Payments under the Sublease does not constitute a debt of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. The obligation to make such Rental Payments does not constitute an indebtedness of the City or the State or of any political subdivision thereof within the meaning of any constitutional or statutory debt limit or restriction.

Redemption and Purchase

The Bonds are subject to optional and mandatory redemption prior to maturity and optional and mandatory tender for purchase as described under the captions "Owner's Option to Tender Bonds in the Weekly Mode," "Mandatory Tender of Bonds for Purchase in the Weekly Mode," "Optional Redemption of Bonds in the Weekly Mode" and "Mandatory Redemption of Bonds in the Weekly Mode" under the heading "THE BONDS."

Purpose of Bonds

The Bonds are being issued to provide funds which will be used to (i) prepay obligations of the City with respect to the outstanding City of Pasadena 1991 Variable Rate Demand Certificates of Participation (Rose Bowl Improvements Project) (the "1991 Certificates"), originally executed and delivered pursuant to the Trust Agreement, dated as of December 1, 1991, among Bank of America National Trust and Savings Association, the City and the Pasadena Civic Improvement Corporation (the "Corporation"), (ii) prepay the obligations of the City with respect to the outstanding City of Pasadena

1996 Certificates of Participation (Additional Rose Bowl Improvements Project) (the “1996 Certificates” and, together with the 1991 Certificates, the “Certificates”), executed and delivered pursuant to the Amended and Restated Trust Agreement, dated as of June 1, 1996 (the “Trust Agreement”), among BNY Western Trust Company, the City and the Corporation, (iii) finance additional improvements to the Rose Bowl Stadium and related facilities, (iv) finance additional improvements to the City’s City Hall and related facilities, (v) fund a debt service reserve fund for the Bonds, and (vi) pay certain costs of issuing the Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS,” “PLAN OF REFUNDING” and “THE PROJECT.

The City

The City was incorporated in 1886 and became a freeholder charter city in 1901. The City adopted its city manager form of government by amendments to the City Charter in 1921. The City Council is responsible for the administration of the City. The City covers nearly 23 square miles and is located in the County of Los Angeles in the northwestern portion of the San Gabriel Valley. The City is bounded on the west by the cities of Los Angeles, La Cañada and Glendale, on the south by the cities of South Pasadena and San Marino, on the east by the cities of Arcadia and Sierra Madre and on the north by the unincorporated community of Altadena and the San Gabriel Mountains.

The Authority

The Authority is a separate entity created by the City and the Pasadena Community Development Commission (the “Commission”) pursuant to the provisions of the Joint Exercise of Powers Act and the Joint Exercise of Powers Agreement, dated April 24, 2000, between the City and the Commission. The Authority is administered by a Governing Board which consists of the members of the City Council.

Book-Entry System

The Bonds will be issued by means of the book-entry system of the Depository Trust Company with no physical distribution of bond certificates made to the public. See “THE BONDS—General Terms of Bonds in the Weekly Mode.”

Summaries Not Definitive

Brief descriptions of the Authority, the City and the Leased Property are included in this Official Statement, together with summaries of the Bonds, the Indenture, the Sublease, the Lease and the Reimbursement Agreement. Such descriptions and summaries do not purport to be comprehensive or definitive. All references herein to the Bonds, the Indenture, the Sublease, the Lease and the Reimbursement Agreement are qualified in their entirety by reference to the actual documents, copies of which are available for inspection at the corporate trust office of the Trustee, Deutsche Bank National Trust Company, at 101 California Street, San Francisco, California 94111.

THE BONDS

This Official Statement describes certain terms of the Bonds while the Bonds are in the Weekly Mode. There are significant changes in the terms of the Bonds not described in this Official Statement when the Bonds are not in a Weekly Mode.

General Terms of Bonds in the Weekly Mode

The Bonds will be delivered in the form of fully registered Bonds in denominations of \$100,000 and any integral multiple of \$5,000 in excess thereof, will be issued in the aggregate principal amount of [\$47,300,000,] will be dated the date of their initial issuance and shall mature (subject to prior redemption) on December 1, 2023 (the “Maturity Date”).

The interest on each Bond will be payable on each Interest Payment Date to the registered Owner whose name appears in the registration books maintained by the Trustee as of the close of business on the applicable Record Date, which shall be the Business Day immediately preceding the Interest Payment Date during the Weekly Mode; except that if there is a default in any payment of interest and sufficient funds thereafter become available to pay such interest, such payment shall be made to the registered Owner whose name appears on the registration books as of a special Record Date fixed by the Trustee pursuant to the Indenture.

The Bonds will bear interest from their date of initial issuance until payment of the principal thereof has been made or provided for in accordance with the provisions of the Indenture, whether at maturity or upon redemption. The Bonds will initially bear interest in the Weekly Mode and may be converted to bear interest at a Daily Rate, Unit Pricing Rate, Term Rate, Auction Rate, Indexed Rate, Stepped Coupon Rate, R-FLOAT Rate or Fixed Rate, based on the Mode specified for the Bonds by the Authority from time to time, subject to the terms of the Indenture. The Maximum Rate with respect to the Bonds, other than Bonds held by the Credit Provider, is 12% per annum.

The Bonds are subject to tender for purchase at the option of the Owners thereof, and are also subject to mandatory tender for purchase upon the happening of certain events, as described under “Tender of Bonds for Purchase in the Weekly Mode,” below. The Bonds are subject to redemption at the option of the Authority on each Interest Payment Date, and are subject to mandatory redemption from sinking account payments, as described under “Redemption of Bonds in the Weekly Mode,” below.

One bond certificate in the full principal amount of the Bonds will be issued to The Depository Trust Company, New York, New York (“DTC”), and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in the Authorized Denominations, with transfers of ownership effected on the records of DTC and its participants.

When issued, the Bonds will be registered in the name of Cede & Co., as nominee of DTC. So long as DTC, or its nominee, is the registered owner of all of the Bonds, all payments on the Bonds will be made by the Trustee directly to DTC, or its nominee, and subsequent disbursement of such payments to the direct participants will be the responsibility of the DTC and, in turn, disbursement of such payments to the Beneficial Owners will be the responsibility of direct and indirect participants as more fully described in Appendix C. **NONE OF THE AUTHORITY, THE CITY OR THE TRUSTEE WILL BE RESPONSIBLE OR LIABLE FOR SUCH TRANSFERS OR PAYMENTS OR FOR MAINTAINING, SUPERVISING OR REVIEWING THE RECORDS MAINTAINED BY DTC, THE DTC PARTICIPANTS OR PERSONS ACTING THROUGH SUCH PARTICIPANTS. See Appendix C – “DTC BOOK-ENTRY SYSTEM.”**

Determination of Weekly Interest Rates

Weekly Rate. Upon initial issuance, the Bonds will be in a Weekly Mode with the initial Weekly Rate set by the Underwriter for the Bonds. During the Weekly Mode, the Remarketing Agent shall establish the Weekly Rate by 10:00 a.m. New York City time for each Weekly Period on each Rate Determination Date. The initial Weekly Rate set by the Underwriter shall be in effect from and including

the date of issuance of the Bonds to and including the following Tuesday; thereafter, the Weekly Rate set by the Remarketing Agent shall be in effect from and including each Wednesday to and including the following Tuesday. Each Weekly Rate determined by the Remarketing Agent is to be determined on and as of the Rate Determination Date as the minimum rate of interest which, in the judgment of the Remarketing Agent under then existing market conditions, would result in the sale of the Bonds on the Rate Determination Date at a price equal to the Purchase Price.

Failure to Determine Rate. If the Remarketing Agent (i) fails or is unable to determine the interest rate with respect to the Bonds or (ii) the method of determining the interest rate with respect to the Bonds is held to be unenforceable by a court of law of competent jurisdiction, the Bonds will, until such time as the Remarketing Agent again makes such determination or until there is delivered an Opinion of Counsel to the effect that the method of determining such rate is enforceable, bear interest from the last date on which such rate was determined in the case of clause (i) and from the date on which interest was legally paid in the case of clause (ii), at the Alternate Rate. [The “Alternate Rate” is defined in the Indenture to mean an annual rate equal to the BMA Municipal SWAP Index, which Alternate Rate shall be equal to the BMA Municipal Swap Index as of (i) the Business Day immediately preceding the day that the Remarketing Agent is first unable to determine the interest rate or (ii) the Business Day immediately preceding the day that the method of determining the interest rate is held to be unenforceable by a court of law of competent jurisdiction, as the case may be.]

Notice of Rates. The Remarketing Agent will make the Weekly Rate available (i) after 10:00 a.m. New York City time on the Rate Determination Date by telephone to any Owner or the City, the Authority, the Trustee, the Tender Agent or the Credit Provider and (ii) by Electronic Means to the Trustee not later than the second Business Day after the Rate Determination Date. Any notice given by Electronic Means will be conclusively presumed to have been given, whether or not actually received by the Trustee.

Conclusiveness of Rates. The determination of any Weekly Rate shall be conclusive and binding upon the City, the Authority, the Trustee, the Tender Agent, the Credit Provider, the Remarketing Agent and the Owners.

No Liability. In determining the interest rate that any Bond will bear as provided in the Indenture, the Remarketing Agent and the Trustee will have no liability to the City, the Authority, the Credit Provider or the Owner of such Bond, except for its negligence or willful misconduct.

Conversion of Bonds from Weekly Mode

Right of Conversion. The Authority may change the Mode with respect to the Bonds from a Weekly Mode to the Daily Mode, Unit Pricing Mode, Term Mode, Auction Mode, Indexed Mode, Stepped Coupon Mode, R-FLOAT Mode or Fixed Rate Mode (each such change, a “Conversion”) by giving a notice (the “Conversion Notice”) to the Trustee, the Tender Agent, the Remarketing Agent and the Credit Provider.

Limitations. The Indenture requires any Conversion from the Weekly Mode to comply with the following: (i) the Conversion date (the “Conversion Date”) must be a Business Day, (ii) a Favorable Opinion of Bond Counsel must be delivered to the Trustee, the Remarketing Agent and the Credit Provider on the Conversion Date, (iii) the Conversion Date must be an Interest Payment Date on which the Bonds are subject to mandatory tender pursuant to the Indenture, (iv) no Conversion will become effective unless all of the Outstanding Bonds are successfully remarketed in the new Mode on the Conversion Date and (v) in the case of a Conversion to an Auction Rate, all necessary appointments and agreements pertaining thereto shall have been made, executed and delivered.

Notice to Owners. The Trustee will mail notice of the Conversion and mandatory purchase of the Bonds by first class mail to the Owners of the Bonds not less than four Business Days prior to the Conversion Date; provided, however, in the case of a Conversion to a Fixed Rate notice will be mailed not less than 30 days prior to the Conversion Date. The notice will state (i) the Conversion Date, (ii) the Purchase Price and (iii) that interest on the Bonds for the benefit of the current Beneficial Owner will cease to accrue from and after the Conversion Date.

Failure of Conditions to be Met. If the Remarketing Agent has not successfully remarketed all of the Outstanding Bonds in the new Mode on the Conversion Date, the Mode will not be Converted but the Bonds will be deemed to have been tendered for purchase on the proposed Conversion Date and will be purchased on the proposed Conversion Date and the Bonds will continue to bear interest at a Weekly Rate. In such event, the Authority and the Owners will be restored (except as aforesaid with respect to the purchase of the Bonds) to their former positions and rights under the Indenture, and all rights of the Authority will continue as if no such proceedings for the Conversion of the Bonds had taken place.

Owner's Option to Tender Bonds in the Weekly Mode

The Owners or Beneficial Owners of the Bonds in the Weekly Mode will have the right to tender such Bonds (or portions thereof in amounts such that the amount purchased and the amount not purchased are in Authorized Denominations) for purchase on any Business Day upon delivery of an irrevocable written notice of tender or irrevocable telephonic notice of tender to the Remarketing Agent and the Tender Agent, promptly confirmed in writing to the Tender Agent not later than 3:00 p.m., New York City time, on a Business Day which is at least five Business Days prior to the applicable Purchase Date. Bonds purchased pursuant to such tender shall be purchased at the Purchase Price which is defined under the Indenture to mean the principal amount of the Bonds purchased plus accrued interest to the Purchase Date.

Each tender notice must state the CUSIP number, and the principal amount of such Bond to be purchased and that such Bond is to be purchased on the Purchase Date specified in the tender notice. Payment of the Purchase Price will be made only upon delivery of the tendered Bond for purchase in accordance with the requirements of the Indenture and only if the Bond so delivered to the Tender Agent conforms in all respects to the description thereof in the tender notice. An Owner who gives the notice of tender as set forth above may repurchase Bonds so tendered on such Purchase Date if the Remarketing Agent agrees to sell such tendered Bonds to such Owner. If such Owner decides to repurchase such Bonds and the Remarketing Agent agrees to sell the specified Bonds to such Owner, the delivery requirements set forth in the Indenture shall be waived.

IF AN OWNER OR BENEFICIAL OWNER FAILS TO DELIVER TO THE TENDER AGENT ON OR BEFORE THE PURCHASE DATE ANY BOND FOR WHICH A NOTICE OF TENDER FOR PURCHASE HAS BEEN GIVEN AS PROVIDED IN THE INDENTURE, SUCH BOND SHALL BE DEEMED TO HAVE BEEN PROPERLY TENDERED TO THE TENDER AGENT AND, TO THE EXTENT THAT THERE SHALL BE ON DEPOSIT WITH THE TENDER AGENT ON THE PURCHASE DATE AN AMOUNT SUFFICIENT TO PAY THE PURCHASE PRICE THEREOF, SUCH BOND SHALL CEASE TO CONSTITUTE OR REPRESENT A RIGHT TO PAYMENT OF PRINCIPAL THEREOF OR INTEREST THEREON AND SHALL CONSTITUTE AND REPRESENT ONLY THE RIGHT TO PAYMENT OF THE PURCHASE PRICE PAYABLE ON SUCH DATE.

SEE APPENDIX C –"BOOK-ENTRY SYSTEM" FOR THE TENDER AND DELIVERY PROVISIONS APPLICABLE WHILE THE BONDS ARE IN THE DTC BOOK-ENTRY SYSTEM. THE AUTHORITY, THE REMARKETING AGENT, THE TRUSTEE AND THE

TENDER AGENT SHALL NOT BE RESPONSIBLE IN THE EVENT DTC DOES NOT TENDER OR DELIVER BONDS FOR TENDER IN ACCORDANCE WITH DIRECTIONS DTC RECEIVES FROM A DTC PARTICIPANT.

Mandatory Tender of Bonds for Purchase in the Weekly Mode

Bonds will be subject to mandatory tender for purchase at the Purchase Price, at the following times and upon the occurrence of any of the events set forth below:

- (i) on any proposed Conversion Date for the Bonds from the Weekly Mode to a new Mode;
- (ii) on each Substitute Credit Facility Date;
- (iii) on the second Business Day preceding the expiration date of a Credit Facility; or

(iv) on a Business Day which is no later than 5 Business Days following receipt by the Trustee of a notice from the Credit Provider that an event of default has occurred and is continuing under the Credit Facility and requesting the Trustee to cause the mandatory tender of the Bonds for purchase.

The Trustee will give notice of the mandatory tender of the Bonds for purchase to the Owners by Electronic Means or first class mail, as the case may be. Notice shall be given by Electronic Means not less than four Business Days prior to the Mandatory Tender Date with respect to a mandatory tender for purchase as described in clause (i) above. Notice shall be mailed by first class mail not less than ten days prior to the Mandatory Tender Date with respect to a mandatory tender for purchase as described in clauses (ii) or (iii) above and as soon as practicable after receipt of the appropriate notice from the Credit Provider with respect to a mandatory tender for purchase described in clause (iv) above. Notice will state (i) the Mandatory Purchase Date, (ii) the Purchase Price, (iii) that interest on the Bonds will cease to accrue from and after the Mandatory Purchase Date for the benefit of the current Beneficial Owner, and (iv), if applicable, the name of the provider of the proposed Substitute Credit Facility and the terms thereof.

Any notice given by Electronic Means will be conclusively presumed to have been given, whether or not actually received by any Owner. Any notice given by first class mail will be conclusively presumed to have been given, whether or not actually received by any Owner.

IF AN OWNER OR BENEFICIAL OWNER FAILS TO DELIVER TO THE TENDER AGENT ON OR BEFORE THE PURCHASE DATE ANY BOND FOR WHICH A NOTICE OF MANDATORY TENDER FOR PURCHASE HAS BEEN GIVEN AS PROVIDED IN THE INDENTURE, SUCH BOND SHALL BE DEEMED TO HAVE BEEN PROPERLY TENDERED TO THE TENDER AGENT AND, TO THE EXTENT THAT THERE SHALL BE ON DEPOSIT WITH THE TENDER AGENT ON SUCH PURCHASE DATE AN AMOUNT SUFFICIENT TO PAY THE PURCHASE PRICE THEREOF, SUCH BOND SHALL CEASE TO CONSTITUTE OR REPRESENT A RIGHT TO PAYMENT OF PRINCIPAL THEREOF OR INTEREST THEREON AND SHALL CONSTITUTE AND REPRESENT ONLY THE RIGHT TO PAYMENT OF THE PURCHASE PRICE PAYABLE ON SUCH DATE.

Sources of Payment for Bonds Subject to Tender for Purchase

On each date that a Bond (or portion thereof in an Authorized Denomination) is tendered or deemed tendered for purchase in accordance with the Indenture, the Tender Agent will purchase (but solely from funds received by the Tender Agent in accordance with the terms of the Indenture) such Bond

(or portion thereof) at the applicable Purchase Price. Funds for the payment of the Purchase Price of each Bond (or portion thereof) tendered or deemed tendered for purchase will be paid by the Trustee solely from the following sources and in the following order of priority:

- (i) Proceeds of the remarketing of such Bond (or portions thereof tendered for purchase); and
- (ii) Money drawn or received under the Credit Facility relating to the Bonds.

So long as the Bonds are held in the DTC book-entry system, notice of mandatory tender of Bonds for purchase and payment of the Purchase Price of any Bond purchased or deemed purchased pursuant to the Indenture will be made to DTC or its nominee. See Appendix C – “BOOK-ENTRY SYSTEM.”

This Official Statement does not contain financial or operating information relating to the City and the decision to purchase or hold Bonds should be made solely on the basis of the creditworthiness of the Bank.

For information on the Remarketing Agreement for the Bonds, see “REMARKETING AGREEMENT.” For information on the Credit Provider for the Bonds, see “THE BANK.”

Optional Redemption of Bonds in the Weekly Mode

Redemption at the Option of the Authority. During the Weekly Mode, the Bonds are subject to redemption prior to the Maturity Date, at the option of the Authority, as directed by the City, in whole on any date or in part on any Interest Payment Date, at a redemption price equal to the principal amount of Bonds called for redemption, plus unpaid accrued interest, if any, to the date fixed for redemption, without premium.

Redemption from Insurance and Condemnation Proceeds. During the Weekly Mode, the Bonds are subject to redemption prior to the Maturity Date, at the option of the Authority, as directed by the City, in whole on any date or in part on any Interest Payment Date, from insurance and condemnation proceeds required to be deposited in the Redemption Fund pursuant to the Sublease, at a redemption price equal to the principal amount of Bonds called for redemption, plus unpaid accrued interest, if any, to the date fixed for redemption, without premium.

Mandatory Redemption of Bonds in the Weekly Mode

During the Weekly Mode, the Bonds are subject to redemption prior to their stated Maturity Date, in part, from Mandatory Sinking Account Payments deposited in the Principal Fund pursuant to the Indenture on December 1 of each of the years set forth below, in the principal amounts set forth below, at a redemption price equal to the principal amount of Bonds called for redemption, without premium.

Year
(December 1)

Mandatory Sinking
Account Payment

2023*

*maturity

The principal amount of Bonds to be redeemed from Mandatory Sinking Account Payments on any December 1 shall be reduced by the Authority as directed by the City by the principal amount of Bonds previously redeemed at the option of the Authority.

Notice of Redemption

Notice of redemption shall be mailed by first-class mail by the Trustee, not less than 30 nor more than 60 days prior to the date fixed for redemption, to the Credit Provider, the Rating Agencies and to the respective Owners of any Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee. Each notice of redemption shall state the date of such notice, the date of original issuance of the Bonds, the date fixed for redemption, the redemption price, the place or places of redemption (including the name and appropriate address or addresses of the Trustee), the CUSIP number, if any, of the Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on said Bonds the redemption price thereof or of said specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, and that from and after such date, interest on such Bond (or the portion thereof to be redeemed) shall cease to accrue, and shall require that such Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice.

Failure by the Trustee to mail notice of redemption to the Credit Provider, the Rating Agencies or to any one or more of the Owners of any Bonds designated for redemption shall not affect the sufficiency of the proceedings for redemption with respect to the Owner or Owners to whom such notice was mailed.

Any notice of optional redemption may be conditional and may be rescinded by written notice given to the Trustee by the Authority no later than five Business Days prior to the date specified for redemption. The Trustee shall give notice of such rescission, as soon thereafter as practicable, in the same manner and to the same persons, as notice of such redemption was given.

Selection of Bonds for Redemption

Whenever provision is made for the redemption of less than all of the Bonds, the Trustee shall select the Bonds to be redeemed, in Authorized Denominations, by lot, in any manner which the Trustee in its sole discretion shall deem appropriate and fair; provided, however, that Credit Facility Bonds shall be redeemed prior to any other Bonds. The selection of Bonds for redemption shall be made at such time as the Trustee determines. Notwithstanding the foregoing, if less than all of the Bonds are to be redeemed at any time while the Bonds are Book-Entry Bonds, selection of the Bonds to be redeemed after Credit Facility Bonds have been redeemed shall be made in accordance with the customary practices of DTC or the applicable successor depository, as the case may be.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Letter of Credit

While the Bonds will be special obligations of the Authority payable as to principal and interest from Base Rental Payments to be made by the City under the Sublease, and the other funds pledged therefore under the Indenture, as long as the Bonds are in the Weekly Mode, such principal and interest will be paid first from the amounts made available under the Letter of Credit. While in the Weekly Mode, the Bonds are subject to tender for purchase on no more than five Business Days notice. The purchase price of tendered Bonds will be payable solely from proceeds of the remarketing of such Bonds and

amounts made available under the Letter of Credit. **Accordingly, this Official Statement does not contain financial or operating information relating to the City and the decision to purchase or hold Bonds should be made solely on the basis of the creditworthiness of the Bank.**

Pursuant to the Sublease, the City has agreed to maintain one or more Credit Facilities, either by maintaining the Letter of Credit or providing one or more Substitute Credit Facilities to provide for payment of the principal, purchase price of, and interest on, the Bonds as long as the Bonds are in the Weekly Mode. See “THE BONDS—General Terms of Bonds in the Weekly Mode,” “THE BANK” and “THE LETTER OF CREDIT AND THE REIMBURSEMENT AGREEMENT” herein.

The availability of money to pay the principal, purchase price of, and interest on, the Bonds depends primarily on the Bank performing its obligations under the Letter of Credit. The Bank could be precluded from performing its obligations under the Letter of Credit in the event of bankruptcy, insolvency or reorganization, or a moratorium or similar event. There can be no assurance that the Bank will maintain its present financial condition or that an adverse change in such condition will not adversely affect its ability to honor future drawings under the Letter of Credit.

Additionally, the rating on the Bonds could be downgraded or withdrawn if the Bank were to be downgraded, placed on credit watch, have its rating suspended or withdrawn or were to refuse to perform under the Letter of Credit. While the Sublease permits the City to substitute the Letter of Credit with a Substitute Credit Facility, no assurance can be given that the City would be able to obtain a Substitute Credit Facility in such an event. See “—Substitute Credit Facility” and “THE LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT” herein.

The Bonds will not constitute obligations, nor evidence any indebtedness of the City or the State, or of any political subdivision thereof (other than the special obligations of the Authority as provided in the Indenture), and neither the faith and credit nor the taxing power of the Authority, the City or the State, or any political subdivision thereof, is pledged to the payment of the Bonds.

Substitute Credit Facility

The City may at any time provide a Substitute Credit Facility with respect to the Bonds provided that each such Substitute Credit Facility meets the following conditions:

(i) the Substitute Credit Facility must be a Credit Facility entered into by, or issued by, a commercial bank or other financial institution;

(ii) the Substitute Credit Facility must be in an amount sufficient to pay the greater of (i) the principal and the maximum amount of interest payable on the Outstanding Bonds on any Interest Payment Date during the then current Mode and (ii) the maximum Purchase Price of the Bonds which will be applicable during the then current Mode; and

(iii) the Substitute Credit Facility must take effect on or before the remarketing of the Bonds as a result of the delivery of such Substitute Credit Facility pursuant to the provisions of the Indenture and apply to such remarketed Bonds.

In the event that the City elects to provide a Substitute Credit Facility, the Bonds shall be subject to mandatory tender as provided in the Indenture. See “THE BONDS—Mandatory Tender Upon the Occurrence of Certain Events” herein.

On or prior to the date of delivery to the Trustee of a Substitute Credit Facility meeting the above requirements, the City must furnish to the Trustee (i) a Favorable Opinion of Bond Counsel with respect to the delivery of such Substitute Credit Facility, and (ii) an opinion or opinions of counsel to the Credit Provider of such Substitute Credit Facility, to the effect that such Substitute Credit Facility has been duly authorized, executed and delivered by such Credit Provider and, subject to standard exceptions and qualifications, constitutes the valid, legal and binding obligation of such Credit Provider.

Pursuant to the Indenture, if there shall have been delivered to the Trustee (i) a Substitute Credit Facility meeting the requirements of the Sublease and (ii) the opinions and documents required by the Sublease, then the Trustee shall accept such Substitute Credit Facility and, if so directed by the City, upon the effectiveness of such Substitute Credit Facility and the payment of the Purchase Price of all Bonds tendered for purchase pursuant in connection with such Substitute Credit Facility, promptly surrender the Credit Facility theretofore in effect with respect to the Bonds for cancellation.

Base Rental Payments

General. The Authority will assign to the Trustee for the benefit of the Owners all of the Authority's rights under the Sublease, including, without limitation, its right to receive Base Rental Payments to be paid by the City under and pursuant to the Sublease, other than its rights to indemnification and to payment of reimbursement of its reasonable costs and expenses. The City will pay Base Rental Payments directly to the Trustee, as assignee of the Authority.

Rental Payments, including Base Rental Payments, shall be paid by the City for and in consideration of the City's right to use and occupy the Leased Property and in consideration of the continued right to the quiet use and enjoyment thereof during the period such Rental Payments are to be paid. All Base Rental Payments will be paid directly by the City to the Trustee, and if received by the Authority at any time will be transferred by the Authority to the Trustee within one Business Day after the receipt thereof. All Base Rental Payments received by the Trustee will be deposited by the Trustee in the Interest Fund, the Principal Fund or the Redemption Fund, pursuant to the provisions of the Indenture.

The obligation of the City to make the Rental Payments under the Sublease does not constitute a debt of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. The obligation to make such Rental Payments does not constitute an indebtedness of the City or the State or of any political subdivision thereof within the meaning of any constitutional or statutory debt limit or restriction.

Abatement. Except to the extent of amounts received in respect of use and occupancy insurance, and amounts, if any, otherwise legally available to the Trustee for payments in respect of the Bonds, during any period in which, by reason of material damage, destruction, title defect or condemnation there is substantial interference with the use and possession by the City of any portion of the Leased Property, Rental Payments due under the Sublease with respect to the Leased Property will be abated to the extent that the annual fair rental value of the portion of the Leased Property in respect of which there is no substantial interference is less than the annual Rental Payments, in which case Rental Payments will be abated by an amount equal to the difference. Any abatement of Rental Payments will not be considered an event of default as defined in the Sublease. Any abatement will continue for the period commencing with the date of such damage, destruction, title defect or condemnation and ending with the substantial completion of the work of repair or replacement of the portions of the Leased Property so damaged, destroyed, defective or condemned. See Appendix A – "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – THE SUBLEASE."

Reserve Fund

The Authority will also establish a Reserve Fund for the Bonds under the Indenture. Upon issuance of the Bonds, \$_____ will be deposited in the Reserve Fund, in satisfaction of the Bond Reserve Fund Requirement. "Bond Reserve Fund Requirement" is defined under the Indenture to mean, with respect to the Bonds, an amount equal to 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.

REMARKETING AGREEMENT

The Authority will enter into a Remarketing Agreement with Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Remarketing Agent"), pursuant to which Merrill Lynch, Pierce, Fenner & Smith Incorporated will serve as the Remarketing Agent for the Bonds. Pursuant to the Remarketing Agreement, the Remarketing Agent will agree to perform its duties and obligations under the Indenture and use its best efforts to remarket the Bonds tendered or deemed tendered pursuant to the Indenture. The obligation of the Remarketing Agent to remarket Bonds will be subject to the terms and conditions of the Remarketing Agreement.

See "THE BONDS—Sources of Payment for Bonds Subject to Tender for Purchase" for information regarding the sources of payment for Bonds tendered or deemed tendered for purchase pursuant to the Indenture.

THE BANK

Citibank, N.A. ("Citibank") was originally organized on June 16, 1812, and now is a national banking association organized under the National Bank Act of 1864. Citibank is an indirect wholly-owned subsidiary of Citigroup Inc. ("Citigroup"), a Delaware holding company. As of September 30, 2005, the total assets of Citibank and its consolidated subsidiaries represented approximately 48% of the total assets of Citigroup and its consolidated subsidiaries.

The long term ratings of Citibank and its consolidated subsidiaries are Aa1, AA and AA+ by Moody's, S&P and Fitch, respectively. The short term ratings of Citibank and its consolidated subsidiaries are A-1+, P-1 and F1+ by Moody's, S&P and Fitch, respectively.

Citibank is a commercial bank that, along with its subsidiaries and affiliates, offers a wide range of banking and trust services to its customers throughout the United States of America and the world. As a national bank, Citibank is a regulated entity permitted to engage only in banking and activities incidental to banking. Citibank is primarily regulated by the Office of the Comptroller of the Currency (the "Comptroller"), which also examines its loan portfolios and reviews the sufficiency of its allowance for credit losses.

Citibank's deposits at its U.S. branches are insured by the Federal Deposit Insurance Corporation (the "FDIC") and are subject to FDIC insurance assessments. The Letter of Credit is not insured by the FDIC or any other regulatory agency of the United States or any other jurisdiction. Citibank may, under certain circumstances, be obligated for the liabilities of its affiliates that are FDIC-insured depository institutions.

Legislation enacted as part of the Omnibus Budget Reconciliation Act of 1993 provides that deposits in U.S. offices and certain claims for administrative expenses and employee compensation

against a U.S. insured depository institution which has failed will be afforded a priority over other general unsecured claims, including deposits in non-U.S. offices and claims under non-depository contracts in all offices, against such an institution in the “liquidation or other resolution” of such an institution by any receiver. Such priority creditors (including the FDIC, as the subrogee of insured depositors) of such FDIC-insured depository institution will be entitled to priority over unsecured creditors in the event of a “liquidation or other resolution” of such institution.

For further information regarding Citibank, reference is made to the Annual Report on Form 10-K of Citicorp and its subsidiaries for the year ended December 31, 2004, and the Quarterly Report on Form 10-Q of Citigroup and its subsidiaries for the quarter ended September 30, 2005, filed by Citigroup with the Securities and Exchange Commission (the “SEC”). Further information regarding Citibank subsequent to September 30, 2005, will be included in the Form 10-Qs (quarterly) and Form 10-Ks (annually) subsequently filed by Citigroup with the SEC. Copies of such material may be obtained, upon payment of a duplicating fee, by writing to the SEC at 100 F Street, N.E., Washington, D.C. 20549. In addition, such reports are available at the SEC’s web site (<http://www.sec.gov>).

In addition, Citibank submits quarterly to the Comptroller certain reports called “Consolidated Reports of Condition and Income for a Bank With Domestic and Foreign Offices” (“Call Reports”). The Call Reports, which include income statement and balance sheet information, are on file with and publicly available at the Comptroller’s offices at 250 E Street, S.W., Washington, D.C. 20219 and are also available on the web site of the FDIC (<http://www.fdic.gov>).

Any of the reports referenced above are available upon request, without charge, by writing or calling Citigroup Document Services, 140 58th Street, Brooklyn, New York 11220, (718) 765-6514.

The information contained under this caption relates to and has been obtained from Citibank. The information concerning Citibank contained herein is furnished solely to provide limited introductory information regarding Citibank and does not purport to be comprehensive. Such information is qualified in its entirety by the detailed information appearing in the documents and financial statements referenced above.

THE LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT

The Letter of Credit

[to be provided by Bank counsel]

The Reimbursement Agreement

The following is a summary of certain provisions of the Reimbursement Agreement. This summary is not a complete recital of the terms of the Reimbursement Agreement and reference is made to the Reimbursement Agreement in its entirety. The Reimbursement Agreement may be amended or otherwise modified without notice to or consent by any person or entity other than the parties thereto.

[to be provided by Bank counsel]

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Bonds are as follows:

Sources of Funds

Par Amount	\$
Released reserves for Certificates	

Uses of Funds

Deposit to Project Fund ⁽¹⁾	
Refunding of 1991 Certificates	
Refunding of 1996 Certificates	
Deposit to Bond Reserve Fund ⁽²⁾	
Deposit to Costs of Issuance Fund ⁽³⁾	
Total Uses	<hr/> <hr/> \$ <hr/> <hr/>

(1) Amounts deposited in the Project Fund will be used to pay costs of the Project. See "THE PROJECT" herein.

(2) Satisfies the Bond Reserve Fund Requirement upon issuance of the Bonds.

(3) The amount deposited in the Costs of Issuance Fund will be used to pay fees relating to the Credit Facility, legal fees, printing costs, rating agency fees, title insurance premiums, Underwriter's discount and other miscellaneous expenses.