
TRUST AGREEMENT

by and between the

PASADENA PUBLIC FINANCING AUTHORITY

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,

as Trustee

Dated as of September 1, 2008

relating to

\$ _____

Pasadena Public Financing Authority
Taxable Variable Rate Demand Lease Revenue Refunding Bonds
(Paseo Colorado Parking Facilities)
Series 2008

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
Parties.....	1
Preambles.....	1

ARTICLE I
DEFINITIONS, EQUAL SECURITY

Section 1.01.	Definitions.....	2
Section 1.02.	Interpretation.....	17
Section 1.03.	Equal Security.....	17

ARTICLE II
THE BONDS

Section 2.01.	Authorization of Bonds.....	18
Section 2.02.	Terms of Bonds.....	18
Section 2.03.	Initial Interest Rate.....	20
Section 2.04.	Determination of Weekly Interest Rates.....	20
Section 2.05.	Fixed Rate Conversion.....	21
Section 2.06.	Execution of Bonds.....	22
Section 2.07.	Transfer of Bonds.....	22
Section 2.08.	Exchange of Bonds.....	22
Section 2.09.	Bond Register.....	23
Section 2.10.	Temporary Bonds.....	23
Section 2.11.	Bonds Mutilated, Lost, Destroyed or Stolen.....	23
Section 2.12.	Book-Entry System.....	24

ARTICLE III
REDEMPTION OF BONDS

Section 3.01.	Terms of Redemption.....	26
Section 3.02.	Notice of Redemption.....	27
Section 3.03.	Partial Redemption of Bonds; Selection of Bonds for Redemption.....	29
Section 3.04.	Effect of Redemption.....	29

ARTICLE IV
TENDERS OF BONDS

Section 4.01.	Optional Tenders During Weekly Rate Periods.....	30
Section 4.02.	Mandatory Tender.....	30
Section 4.03.	Irrevocable Notice Deemed to be Tender of Bond; Undelivered Bonds.....	31
Section 4.04.	Notice of Bonds Delivered for Purchase; Purchase of Bonds.....	32
Section 4.05.	Remarketing of Bonds; Notice of Interest Rates.....	33
Section 4.06.	Delivery of Bonds.....	34
Section 4.07.	Delivery of Proceeds of Sale.....	35

<u>Section</u>	<u>Page</u>	
Section 4.08.	Remarketing Proceeds; Payments Under Liquidity Facility; Payment of Purchase Price of Bonds.....	35

ARTICLE V
APPLICATION OF PROCEEDS; FUNDS AND ACCOUNTS

Section 5.01.	Application of Proceeds of Bonds.....	36
Section 5.02.	Establishment and Application of Costs of Issuance Fund.....	36
Section 5.03.	[Reserved].....	37
Section 5.04.	Establishment and Application of Reserve Fund.....	38

ARTICLE VI
PLEGGED REVENUES, FUNDS AND ACCOUNTS

Section 6.01.	Pledge of Revenues.....	40
Section 6.02.	Bond Fund.....	41
Section 6.03.	Purchase Fund.....	43
Section 6.04.	Insurance and Condemnation Fund.....	44
Section 6.05.	Investment of Moneys in Funds.....	45
Section 6.06.	Amounts Remaining in Funds and Accounts.....	46

ARTICLE VII
COVENANTS

Section 7.01.	Punctual Payment.....	46
Section 7.02.	Extension of Payment of Bonds.....	46
Section 7.03.	Encumbrance Upon Revenues.....	46
Section 7.04.	Power to Issue Bonds and Make Pledge and Assignment.....	46
Section 7.05.	Accounting Records and Financial Statements; Reports to California Debt and Investment Advisory Commission.....	46
Section 7.06.	Other Covenants; Amendment of Lease.....	47
Section 7.07.	Waiver of Laws.....	48
Section 7.08.	Further Assurances.....	48
Section 7.09.	Continuing Disclosure.....	48

ARTICLE VIII
LIQUIDITY FACILITIES

Section 8.01.	Standby Bond Purchase Agreement for the Bonds.....	49
Section 8.02.	Liquidity Facility; Alternate Liquidity Facility for the Bonds.....	49
Section 8.03.	Rights and Duties under Liquidity Facility Relating to the Bonds.....	50
Section 8.04.	Notice of Termination or Other Change in Liquidity Facility for the Bonds.....	50

ARTICLE IX
RESERVED

ARTICLE X
REMARKETING AGENT, TENDER AGENT

Section 10.01.	The Remarketing Agent.....	55
Section 10.02.	Qualifications of Remarketing Agent; Resignation; Removal.	55
Section 10.03.	Tender Agent.	55
Section 10.04.	Qualifications and Certain Responsibilities of Tender Agent.	56

ARTICLE XI
THE TRUSTEE

Section 11.01.	Duties, Immunities and Liabilities of Trustee.....	57
Section 11.02.	Merger or Consolidation.	59
Section 11.03.	Liability of Agents.	59
Section 11.04.	Right of Trustee to Rely on Documents.	60
Section 11.05.	Preservation and Inspection of Documents.....	61
Section 11.06.	Compensation and Indemnification of Trustee.....	61

ARTICLE XII
EVENTS OF DEFAULT; REMEDIES ON DEFAULT

Section 12.01.	Events of Default; Remedies.	61
Section 12.02.	Institution of Legal Proceedings by Trustee.	62
Section 12.03.	Application of Moneys Collected by Trustee.	62
Section 12.04.	Effect of Delay or Omission to Pursue Remedy.....	63
Section 12.05.	Remedies Cumulative.	63
Section 12.06.	Covenant to Pay Bonds in Event of Default.	63
Section 12.07.	Trustee Appointed Agent for Bondholders.....	64
Section 12.08.	Power of Trustee to Control Proceedings.	64
Section 12.09.	Limitation on Bondholders’ Right to Sue.....	64

ARTICLE XIII
MODIFICATION OF TRUST AGREEMENT

Section 13.01.	Modification without Consent of Bondholders.....	65
Section 13.02.	Modification with Consent of the Bondholders.....	66
Section 13.03.	Effect of Supplemental Trust Agreement.	67
Section 13.04.	Opinion of Counsel as to Supplemental Trust Agreement.	67
Section 13.05.	Notation of Modification on Bonds; Preparation of New Bonds.	67

ARTICLE XIV
DEFEASANCE

Section 14.01.	Discharge of Trust Agreement.....	67
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<u>Section</u>		<u>Page</u>
Section 14.02.	Discharge of Liability on Bonds.....	68
Section 14.03.	Deposit of Money or Securities with Trustee.....	68
Section 14.04.	Payment of Bonds after Discharge of Trust Agreement.....	69

ARTICLE XV
MISCELLANEOUS

Section 15.01.	Liability of Authority Limited to Revenues.....	70
Section 15.02.	Successor Is Deemed Included in all References to Predecessor.....	70
Section 15.03.	Limitation of Rights to Parties and Bondholders.....	70
Section 15.04.	Waiver of Notice.....	70
Section 15.05.	Destruction of Bonds.....	70
Section 15.06.	Severability of Invalid Provisions.....	70
Section 15.07.	Notices.....	71
Section 15.08.	Notice to Rating Agencies.....	73
Section 15.09.	Evidence of Rights of Bondholders.....	73
Section 15.10.	Disqualified Bonds.....	74
Section 15.11.	Money Held for Particular Bonds.....	74
Section 15.12.	Funds and Accounts.....	74
Section 15.13.	Waiver of Personal Liability.....	74
Section 15.14.	Execution in Several Counterparts.....	74
Section 15.15.	Governing Law; Venue.....	74
Section 15.16.	Business Days.....	75
EXHIBIT A:	Form of Bond.....	A-1

THIS TRUST AGREEMENT, dated as of September 1, 2008 (this "Trust Agreement"), is entered into by and between the PASADENA PUBLIC FINANCING AUTHORITY, a joint exercise of powers authority duly organized and existing under the laws of the State of California (the "Authority"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association organized and existing under and by virtue of the laws of the United States (the "Trustee"),

W I T N E S S E T I I:

WHEREAS, the Authority is a joint exercise of powers authority duly organized and existing under the laws of the State of California, created by that certain Joint Exercise of Powers Agreement, dated April 24, 2000, by and between the City of Pasadena, California (the "City") and the Pasadena Community Development Commission (the "Commission") under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), and is authorized pursuant to Article 4 of the Act to issue bonds to assist local agencies in financing projects and programs consisting of certain public improvements or working capital or liability and other insurance needs whenever a local agency determines that there are significant public benefits from so doing; and

WHEREAS, in 2000, the Authority authorized the issuance of its Taxable Variable Rate Demand Lease Revenue Bonds (Paseo Colorado Parking Facilities), Series 2000 (the "2000 Bonds") to assist in the refinancing of a developer's interest under a parking lease related to parking facilities located in the City of Pasadena, California (the "City") and the financing of the costs of certain improvements to be made to the parking facilities and other related property and facilities (collectively, the "Project"); and

WHEREAS, in connection with the financing of the Project and the issuance of the 2000 Bonds, the Commission leased certain properties to the Authority pursuant to an Authority Lease, dated as of June 1, 2000 (the "2000 Authority Lease"), by and between the Commission and the Authority, and the Authority subleased such properties to the City pursuant to a Lease Agreement, dated as of June 1, 2000 (the "2000 Lease"), by and between the Authority and the City; and

WHEREAS, the 2000 Bonds were payable solely from revenues of the Authority, consisting primarily of lease payments payable by the City to the Authority under the 2000 Lease; and

WHEREAS, the Commission, the City and the Authority have determined that it is in the best interests of the City at this time to refinance the City's obligation to make the lease payments under the 2000 Lease, and as a result thereof, it is in the best interest of the Authority to refund all of the currently outstanding 2000 Bonds; and

WHEREAS, the Authority desires to issue \$_____ in aggregate principal amount of Taxable Variable Rate Demand Lease Revenue Refunding Bonds (Paseo Colorado Parking Facilities), Series 2008 (the "Bonds"), pursuant to a certain Trust Agreement, dated as of September 1, 2008 (the "Trust Agreement") by and between the Authority and the Trustee, for

the purposes of providing funds to refund the 2000 Bonds, funding a reserve fund for the Bonds and paying the costs of issuance of the Bonds; and

WHEREAS, in connection with the Commission's desire to assist the Authority in refinancing the 2000 Bonds through the issuance of the Bonds, the Commission, as lessor, intends to lease certain real property and improvements (the "Leased Premises"), to the Authority, as lessee, pursuant to the Authority Lease, dated as of September 1, 2008 (the "Authority Lease");

WHEREAS, in furtherance of the issuance of the Bonds, the Authority, as sublessor, intends to sublease the Leased Premises, to the City, as sublessee, pursuant to a certain Lease Agreement, dated as of September 1, 2008 (the "Lease");

WHEREAS, under the Lease, the City will be obligated to make Lease Payments (including any Excess Amount), Additional Payments and Reserve Replenishment Rent to the Authority for the lease of the Leased Premises and the Authority will pledge such Lease Payments to the Trustee for payments of the Bonds; and

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 to secure the payment of the principal thereof and the premium, if any, and the interest thereon, the Authority has authorized the execution and delivery of this Trust Agreement; and

WHEREAS, all acts and proceedings required by law and 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 Trust Agreement 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 Trust Agreement have been in all respects duly authorized;

NOW, THEREFORE, in order further to secure the payment of the principal of and premium, if any, and interest on all Bonds (including Bank Bonds) issued and Outstanding (as that term is hereinafter in Section 1.01 defined) under this Trust Agreement, according to their tenor, and further to secure the performance and observance of all the covenants and conditions therein and herein set forth, and further to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and for and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Owners (as that term is hereinafter in Section 1.01 defined) thereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, the Authority covenants and agrees with the Trustee, for the equal and proportionate benefit of the respective Holders from time to time of the Bonds (including Bank Bonds), as follows:

ARTICLE I

DEFINITIONS, EQUAL SECURITY

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Trust Agreement and of any Supplemental Trust Agreement hereto, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined. Capitalized terms not otherwise defined shall have the meaning assigned to such terms in the Lease.

Act

“Act” means Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California.

Additional Payments

“Additional Payments” means the payments to be made by the City to the Trustee or the Authority in accordance with Section 4.10 of the Lease.

Alternate Liquidity Facility

“Alternate Liquidity Facility” means, collectively, the irrevocable letters of credit and related reimbursement agreements, lines of credit, standby bond purchase agreements or similar agreements which satisfies the requirements of Section 8.02 hereof and is issued to replace the Liquidity Facility issued on the date of original delivery of the Bonds or an Alternate Liquidity Facility thereafter issued.

Authority

“Authority” means the Pasadena Public Financing Authority, a joint exercise of powers authority created by and existing under a Joint Exercise of Powers Agreement, dated April 24, 2000, by and between the City and the Commission, and the Act.

Authority Lease

“Authority Lease” means that certain Authority Lease (Paseo Colorado Parking Facilities), dated as of September 1, 2008, by and between the Commission and the Authority, as originally executed or as it may from time to time be supplemented, modified or amended subject to and in accordance with the terms thereof and of Section 7.06(B) hereof.

Authorized Denominations

“Authorized Denominations” means (a) with respect to any Bonds in a Weekly Mode, \$100,000 and any integral multiple of \$5,000 in excess thereof; and (b) with respect to any Bonds in the Fixed Rate Mode, \$5,000 and integral multiples thereof.

Available Moneys

“Available Moneys” means (a) with respect to any date on which a payment is due on the Bonds during the term of any Liquidity Facility with respect thereto (i) moneys which have been paid to the Trustee by the Authority and have been on deposit with the Trustee in the Bond Fund for at least 124 days (and not commingled with any moneys so held for less than said period) and investment earnings thereon during and prior to which no Event of Bankruptcy shall have occurred; (ii) moneys drawn under the Liquidity Facility with respect thereto which at all times since their receipt by the Tender Agent were held in a separate segregated account or accounts or sub-accounts in which no moneys (other than those drawn under such Liquidity Facility) were at any time held; and (iii) the proceeds of the sale of refunding obligations if, in the opinion of nationally recognized counsel experienced in bankruptcy matters (which opinion shall be acceptable to each rating agency then providing a rating on the Bonds), the application of such moneys will not constitute a voidable preference in the event of the occurrence of an Event of Bankruptcy; and (b) with respect to any payment date on Bonds occurring other than during the term of a Liquidity Facility with respect thereto, any moneys furnished to the Trustee (other than remarketing proceeds) and the proceeds from the investment thereof.

Bank Bond Rate

“Bank Bond Rate” shall have the meaning ascribed to such term in the Standby Bond Purchase Agreement.

Bank Bonds

“Bank Bonds” means any Bonds purchased with moneys described in Section 4.04(B)(ii) until such Bonds are remarketed and the Liquidity Bank is in receipt of such remarketing proceeds in an amount not less than the principal amount of such Bonds and accrued interest thereon, as provided herein.

Bankruptcy Code

“Bankruptcy Code” means the United States Bankruptcy Code, as amended (constituting Title 11 of the United States Code, as amended).

Bond Counsel

“Bond Counsel” means Sidley Austin LLP any other attorney or firm of attorneys of nationally recognized standing in matters pertaining to the issuance of obligations by states and their political subdivisions and acceptable to the Authority.

Bond Fund

“Bond Fund” means the fund by that name established pursuant to Section 6.02.

Bondholder; Owner

“Bondholder” or “Owner” means, with respect to any Bond, the person in whose name such Bond is registered.

Bond Law

“Bond Law” means Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California.

Bonds

“Bonds” means the Pasadena Public Financing Authority Taxable Variable Rate Demand Lease Revenue Refunding Bonds (Paseo Colorado Parking Facilities), Series 2008 issued pursuant to this Trust Agreement.

Business Day

“Business Day” means a day which is not (i) a Saturday, a Sunday, or a legal holiday on which banking institutions in the State of California or the State of New York or in any state in which are located the Corporate Trust Office of the Trustee or the Tender Agent, or in which the office from which payments are made pursuant to the Liquidity Facility are authorized or required by law or executive order to be closed, or (ii) a day on which the New York Stock Exchange is closed.

Certificate, Order, Statement, Requisition or Written Request of the Authority

“Certificate,” “Order,” “Statement,” “Requisition” or “Written Request” mean respectively, when used with respect to a document of the Authority, a written certificate, order, statement, requisition or request of the Authority signed by or on behalf of the Authority by its Executive Director, its Treasurer or by any other person who is duly authorized to execute such a document on behalf of the Authority.

Certificate, Order, Statement, Requisition or Written Request of the City

“Certificate,” “Order,” “Statement,” “Requisition” or “Written Request” mean, respectively, when used with respect to a document of the City, a written certificate, order, statement, requisition or request of the City signed by or on behalf of the City by its City Manager, Director of Finance, or by any other person who is duly authorized to execute such a document on behalf of the City.

City

“City” means the City of Pasadena, California, a municipal corporation organized and existing under its charter and the constitution and laws of the State of California.

Closing Date

“Closing Date” means the date of original issuance of the Bonds.

Commission

“Commission” means the Pasadena Community Development Commission, a public body, corporate and politic, duly organized and existing under the laws of the State of California.

Continuing Disclosure Agreement

“Continuing Disclosure Agreement” means any continuing disclosure agreement or continuing disclosure certificate by the City relating to the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

Corporate Trust Office

“Corporate Trust Office” means, with respect to the Trustee, the office of the Trustee at which at any particular time its corporate trust business shall be principally administered in the State of California, which at the date of execution of this Trust Agreement is that specified in Section 15.07 hereof or such other office or agency identified by the Trustee in writing from time to time; and means, with respect to the Tender Agent, the office of the Tender Agent at which at any particular time its corporate trust business shall be principally administered, which at the date of execution of this Trust Agreement is that specified in Section 15.07 hereof or such other office or agency identified by the Tender Agent in writing from time to time.

Costs of Issuance

“Costs of Issuance” means all items of expense payable or reimbursable directly or indirectly by the Authority and related to the original authorization, sale and issuance of the Bonds, including but not limited to: costs of preparation and reproduction of documents; initial fees, expenses and charges of the Trustee (including its counsel), remarketing agents or other agents, bond discounts; legal fees and charges; financial and other professional consultants’ fees; rating agency fees; Liquidity Bank fees, fees and charges for execution, transportation and safekeeping of Bonds; and any other cost, charge or fee in connection with the foregoing.

Costs of Issuance Fund

“Costs of Issuance Fund” means the fund by that name established pursuant to Section 5.02 hereof.

Depository

“Depository” means any securities depository appointed by the Authority to act as Depository under Section 2.12 hereof.

DTC

“DTC” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York in its capacity as Depository for any book-entry Bonds.

Event of Bankruptcy

“Event of Bankruptcy” means the commencement of a case by or against Authority under the Bankruptcy Code or under any other domestic bankruptcy act or any similar act which hereafter may be enacted (other than such proceedings initiated by Authority against third parties other than Authority), unless such case shall have been dismissed and such dismissal shall be final and not subject to appeal.

Event of Default

“Event of Default” means any of the events specified in Section 12.01 hereof.

Fiscal Year

“Fiscal Year” means the period beginning on July 1 of each year and ending on the next succeeding June 30 or any other twelve-month period hereafter selected and designated by the Authority, as the official fiscal year period of the Authority.

Fitch

“Fitch” means Fitch Ratings, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority.

Fixed Rate

“Fixed Rate” means an interest rate borne by the Bonds from and after the Fixed Rate Date and determined in accordance with Section 2.05 hereof.

Fixed Rate Date

“Fixed Rate Date” means the date on which the Bonds begin to bear interest at the Fixed Rate.

Fixed Rate Mode

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

Independent Counsel

“Independent Counsel” means an attorney duly admitted to the practice of law before the highest court of the state in which such attorney maintains an office and who is not an employee of the Authority or the City.

Information Services

“Information Services” means the following information services: (1) Financial Information, Inc.’s “Daily Called Bond Service,” 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; (2) Kenny Information Service’s “Called Bond Service,” 65 Broadway Street, 16th Floor, New York, New York 10004; (3) Moody’s Investors Service “Municipal and Government,” 99 Church Street, 8th Floor, New York, New York 10007, Attention: Municipal News Reports; and (4) Standard & Poor’s Corporation “Called Bond Record,” 25 Broadway, 3rd Floor, New York, New York 10004; or at such other addresses and/or such other services providing information with respect to called bonds as the Authority may designate to the Trustee in writing.

Insurance and Condemnation Fund

“Insurance and Condemnation Fund” means the fund by that name established and held by the Trustee pursuant to Section 6.04 hereof.

Interest Payment Date

“Interest Payment Date” means (i) with respect to Bonds in a Weekly Mode, the first Business Day of each month, commencing October 1, 2008; (ii) the Fixed Rate Date; (iii) with respect to Bonds in the Fixed Rate Mode, each June 1 and December 1, commencing on the first June 1 or December 1 following the Fixed Rate Date; (iv) with respect to Bank Bonds, the first Business Day of each month; and (v) with respect to all Bonds, the maturity date thereof.

Interest Payment Period

“Interest Payment Period” means (i) while the Bonds are in a Weekly Mode, the period from and including the first Business Day of each month to and including the first day prior to the first Business Day of the following month; and (ii) with respect to Bonds in a Fixed Rate Mode, the period from and including each Interest Payment Date to and including the day immediately preceding the next succeeding Interest Payment Date.

Lease

“Lease” means that certain Lease Agreement (Paseo Colorado Parking Facilities), dated as of September 1, 2008, by and between the Authority and the City, as originally executed or as it may from time to time be supplemented, modified or amended subject to and in accordance with the terms thereof and of Section 7.06(B) hereof.

Lease Default Events

“Lease Default Events” means any of the events of default specified in Section 8.01 of the Lease.

Lease Payments

“Lease Payments” means the payments and prepayments made by the City of amounts payable pursuant to the Lease as described in Section 4.03 of the Lease and Exhibit A thereto.

Lease Year

“Lease Year” shall have the meaning ascribed to that term in the Lease.

Leased Premises

“Leased Premises” shall have the meaning ascribed thereto in the Lease.

Letter of Representations

“Letter of Representations” means the letter of the Authority delivered to and accepted by the Depository on or prior to the delivery of the Bonds as book-entry Bonds setting forth the basis on which the Depository serves as depository for such book-entry Bonds, as originally executed or as it may be supplemented or revised or replaced by a letter from the Authority delivered to and accepted by the Depository, and may include a master agreement applicable to one or more series of Bonds.

Liquidity Account

“Liquidity Account” means the Liquidity Account within the Purchase Fund established pursuant to Section 6.03 hereof.

Liquidity Bank

“Liquidity Bank” means KBC Bank N.V., acting through its New York Branch, or its successors and assigns, in its capacity as purchaser under the Standby Bond Purchase Agreement or, in the event an Alternate Liquidity Facility is delivered pursuant to Section 8.02 hereof, the issuer or provider of the then current Alternate Liquidity Facility.

Liquidity Facility

“Liquidity Facility” means the Standby Bond Purchase Agreement and upon the effectiveness of an Alternative Liquidity Facility, shall mean such Alternative Liquidity Facility, in each case which provides for the purchase of the Bonds which have not been remarketed upon the optional or mandatory tender for purchase thereof pursuant to this Trust Agreement.

Mandatory Tender Date

“Mandatory Tender Date” means the date on which the Bonds are subject to mandatory tender for purchase pursuant to Section 4.02 hereof.

Maximum Interest Rate

“Maximum Interest Rate” means, with respect to Bonds which are not Bank Bonds, prior to the Fixed Rate Date, the lesser of 12% per annum and the maximum interest rate permitted by law and, with respect to Bank Bonds, the maximum interest rate set forth in the Standby Bond Purchase Agreement.

Mode

“Mode” means a Weekly Mode or Fixed Rate Mode.

Net Proceeds

“Net Proceeds” means any proceeds of any insurance or taking by eminent domain or condemnation paid with respect to the Leased Premises remaining after payment therefrom of any expenses (including attorneys’ fees) incurred in the collection thereof.

Nominee

“Nominee” means the nominee of the Depository, which may be the Depository, or any nominees substituted by the Depository pursuant to Section 2.12 hereof.

Opinion of Bond Counsel

“Opinion of Bond Counsel” means a written opinion of Bond Counsel appointed by the Authority.

Opinion of Counsel

“Opinion of Counsel” means a written opinion of Independent Counsel (who may be counsel for the Authority) appointed by the Authority.

Optional Redemption Account

“Optional Redemption Account” means the account by that name within the Bond Fund established pursuant to Section 6.02 hereof.

Optional Tender Date

“Optional Tender Date” means the date on which the Bonds are subject to optional tender for purchase pursuant to Section 4.01 hereof.

Outstanding

“Outstanding,” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 15.09 hereof) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Trust Agreement except (a) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with Section 14.02 hereof; and (c) Bonds for the transfer or exchange of which, or in lieu of or in substitution for which, other Bonds shall have been authenticated and delivered by the Trustee pursuant to this Trust Agreement.

Participant

“Participant” means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds Bonds as a securities depository.

Permitted Investments

“Permitted Investments” means any of the following obligations as and to the extent that such obligations are at the time legal investments for moneys held hereunder and then proposed to be invested therein:

(A) The following obligations may be used as Permitted Investments for all purposes, including as defeasance investments in refunding escrow accounts:

(i) Cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in paragraph (ii) below), or

(ii) Direct obligations of (including obligations issued or held in book-entry form on the books of) the Department of the Treasury of the United States of America, or

(iii) Senior debt obligations of other Government Sponsored Agencies.

(B) The following obligations may also be used as Permitted Investments for all purposes other than defeasance investments in refunding escrow accounts:

(i) United States Treasury Bills, Bonds, and Notes or those for which the full faith and credit of the United States are pledged for payment of principal and interest.

(ii) Obligations issued by the Government National Mortgage Association (GNMA), the Federal Farm Credit Bank System (FFCB), the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Association (FHLMC), the Student Loan Marketing Association (SLMA) and the Tennessee Valley Authority (TVA) and the Federal Home Loan Bank.

(iii) Bills of exchange or time drafts drawn on and accepted by commercial banks, otherwise known as banker's acceptances. Banker's acceptances purchased may not exceed 180 days to maturity or 40% of the cost value of the portfolio. No more than 30% shall be invested in any one commercial bank pursuant to Section 53601(f) of the Government Code.

(iv) Investments in Repurchase agreements or securities lending agreements may be made when the term of the agreement does not exceed one year. The market value of the securities used as collateral for the repurchase agreements shall be monitored by the investment staff and shall not be allowed to fall below 102% of the value of the repurchase agreement. A PSA Master Repurchase Agreement is required between the City of Pasadena and the broker dealer or financial institution for all Repurchase agreements transacted.

(v) Reverse repurchase agreements or securities lending agreement which specifies terms and conditions may be transacted with broker/dealers and financial institutions but can not exceed 20% of the portfolio base value on the date entered into with the conditions as specified in Section 53601(i)(3)(B) of the Government Code.

(vi) Local Agency Investment Fund (LAIF) which is a State of California managed investment pool may be used up to the maximum permitted by California State Law.

(vii) Time deposits, non-negotiable and collateralized in accordance with the California Government Code, may be purchased through banks or savings and loan associations. Since time deposits are not liquid, no more than 25% of the investment portfolio may be invested in this investment type.

(viii) Medium Term Corporate Notes, with a maximum remaining maturity of five years or less may be purchased. Securities eligible for investment shall be rated "A" or better by Moody's or Standard and Poor's rating services. Purchase of medium term notes may not exceed 30% of the cost value of the portfolio and no more than 5% of the cost value of the portfolio may be invested in notes issued by one corporation. Commercial paper holdings should also be included when calculating the 5% limitation. Negotiable Certificates of Deposit issued by nationally or state chartered banks or state or federal savings institutions. Purchases of negotiable certificates of deposit may not exceed 30% of total portfolio.

(ix) Shares of beneficial interest issued by diversified management companies investing in the securities and obligations as authorized by subdivisions (a) to (j) inclusive, of the Government Section or subdivision (m) or (n) and that comply with the investment restrictions of this article and Article 2 (commencing with Section 53630). To be eligible for investment pursuant to this subdivision, these companies shall either:

-- 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.

-- Retain an investment advisor registered with the Securities and Exchange Commission with no less than five years' experience investing in the securities and obligations as authorized by subdivisions (a) to (j), inclusive, and with assets under management in excess of five hundred million dollars (\$500,000,000). The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include any commission that these companies may charge and shall not exceed 20 percent of the agency's surplus money that may be invested pursuant to this section. No more than 10% of the portfolio may be invested in any one mutual fund at the date of purchase.

(x) Registered state warrants or treasury notes or bonds, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

(xi) Bonds, notes, warrants or other indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

(xii) Any mortgage pass-through security, collateralized mortgage obligation mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond of a maximum of five years maturity. Securities eligible for investment under this subdivision shall be issued by an issuer having an "A" or higher rating for the issuer's debt as provided by an a nationally recognized rating service and rated in a rating category of "AA" or its equivalent or better by a nationally recognized rating service. Purchase of securities authorized by this subdivision may not exceed 20% of the agency's surplus money that may be invested pursuant to this section.

(xiii) Contracts issued by insurance companies that provide the policyholder with the right to receive a fixed or variable rate of interest and the full return of principal at the maturity date.

(xiv) Notwithstanding anything to the contrary contained in this section, Section 53635 of the Government Code, or any other provision of law, moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds,

indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith, or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

(xv) Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by Section 53651 of the Government Code as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 of the Government Code for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank which is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.

Person

“Person” means any natural person, firm, association, partnership, corporation, limited liability company, or public body.

Proposed Fixed Rate Date

“Proposed Fixed Rate Date” means the date specified in the notice to the Bondholders as the date on which the City intends to convert the interest rate on the Bonds to a Fixed Rate.

Purchase Fund

“Purchase Fund” means the Purchase Fund established by the Tender Agent pursuant to Section 6.03 hereof.

Rate Determination Date

“Rate Determination Date” means for Bonds in a Weekly Mode, each Thursday or, if Thursday is not a Business Day, the next Business Day succeeding such Thursday.

Redemption Price

“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 Trust Agreement.

Regular Record Date

“Regular Record Date” means the close of business on: (i) the Business Day immediately preceding each Interest Payment Date with respect to Bonds the interest on which is payable at a Weekly Rate; and (ii) the 15th calendar day (whether or not a Business Day) of the

month immediately preceding each Interest Payment Date in the case of interest on Bonds payable at a Fixed Rate.

Remarketing Agent

“Remarketing Agent” means the remarketing agent appointed by the Authority in accordance with this Trust Agreement and at the time serving as such under the Remarketing Agreement, initially, Merrill Lynch, Pierce, Fenner & Smith Incorporated.

Remarketing Agreement

“Remarketing Agreement” means that certain remarketing agreement, dated as of September 1, 2008, 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 Owners thereof, and any other similar agreement entered into with any successor Remarketing Agent.

Remarketing Proceeds Account

“Remarketing Proceeds Account” means the Remarketing Proceeds Account within the Purchase Fund established pursuant to Section 6.03 hereof.

Reserve Credit Facility

“Reserve Credit Facility” means (a) an irrevocable letter of credit issued by a financial institution having unsecured debt obligations rated in one of the two highest rating category by S&P (without regard to pluses or minuses) and having a term of not less than three (3) years or (b) an insurance policy or surety bond issued by an insurance company having unsecured debt obligations (or obligations secured by such insurance company’s insurance policies) rated in the highest rating category by S&P.

Reserve Fund

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

Reserve Replenishment Rent

“Reserve Replenishment Rent” means Reserve Replenishment Rent payable pursuant to Section 4.03(e) of the Lease.

Reserve Requirement

“Reserve Requirement” means the amount of \$2,000,000.

Responsible Officer

“Responsible Officer” of the Trustee means and includes the chairman of the board of directors, the president, every vice president, every assistant vice president, the cashier, every assistant cashier, every trust officer and every officer and assistant officer of the Trustee, its

parent or affiliates other than those specifically above mentioned, to whom any corporate trust matter is referred because of his or her knowledge of, and familiarity with, a particular subject and who is specifically assigned to administer the duties of the Trustee under this Trust Agreement.

Revenues

“Revenues” means (a) all amounts received by the Authority or the Trustee pursuant or with respect to the Lease, including, without limiting the generality of the foregoing, all of the Lease Payments (including both timely and delinquent payments, any late charges, and whether paid from any source), prepayments, insurance proceeds, condemnation proceeds, but not including any Additional Payments or Reserve Replenishment Rent; and (b) investment income with respect to any moneys held by the Trustee in the funds and accounts established hereunder (except the Purchase Fund).

Securities Depositories

“Securities Depositories” means The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax: (516) 227-4039 or (516) 227-4190; or at such other addresses and/or such other securities depositories as the Authority may designate to the Trustee in writing.

S&P

“S&P” means Standard & Poor’s Corporation, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority.

Special Record Date

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

Standby Bond Purchase Agreement

“Standby Bond Purchase Agreement” means the Standby Bond Purchase Agreement, dated as of September 1, 2008, by and among the Authority, the City, the Trustee and the Liquidity Bank, providing for the purchase of the Bonds which have not been remarketed upon the optional or mandatory tender for purchase thereof pursuant to the Trust Agreement.

Supplemental Trust Agreement

“Supplemental Trust Agreement” means any supplemental trust agreement hereafter duly authorized and entered into between the Authority and the Trustee in accordance with the provisions of this Trust Agreement.

Tender Agent

“Tender Agent” means the tender agent appointed in accordance with Section 10.03 hereof.

Trust Agreement

“Trust Agreement” means this Trust Agreement, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Trust Agreement entered into pursuant to the provisions hereof.

Trustee

“Trustee” means Wells Fargo Bank, National Association, a national banking association organized and existing under the laws of the United States, or its successor as Trustee hereunder as provided in Section 11.01 hereof.

Undelivered Bonds

“Undelivered Bonds” means any Bonds so designated in accordance with the provisions of Section 4.03(A).

Underwriter

“Underwriter” means Merrill Lynch, Pierce, Fenner & Smith Incorporated as the original purchaser of the Bonds.

Weekly Mode

“Weekly Mode” means the Mode in which the Bonds bear interest at a Weekly Rate.

Weekly Rate

“Weekly Rate” means an interest rate that is determined on a weekly basis pursuant to Section 2.04 hereof.

Weekly Rate Period

“Weekly Rate Period” means the period during which interest is payable or is accrued at a particular Weekly Rate.

Section 1.02. Interpretation.

(A) The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Trust Agreement.

(B) All references herein to “Articles,” “Sections,” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Trust Agreement; the words “herein,”

“hereof,” “hereby,” “hereunder,” and other words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section or subdivision hereof; and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine, or feminine gender as appropriate.

Section 1.03. Equal Security. In consideration of the acceptance of the Bonds by the Bondholders thereof, this Trust Agreement shall be deemed to be and shall constitute a contract among the Authority, the Trustee and the Bondholders from time to time of all Bonds authorized, executed, issued and delivered hereunder and then Outstanding to secure the full, timely and final payment of the interest on and principal of and redemption premiums, if any, on all Bonds which may from time to time be authorized, executed, issued and delivered hereunder, subject to the agreements, conditions, covenants and provisions contained herein; and all agreements and covenants set forth herein to be performed by or on behalf of the Authority shall be for the equal and proportionate benefit, protection and security of all Bondholders of the Bonds without distinction, preference or priority as to security or otherwise of any Bonds over any other Bonds by reason of the number or date thereof or the time of authorization, sale, execution, issuance or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

ARTICLE II

THE BONDS

Section 2.01. Authorization of Bonds. The Authority has reviewed all proceedings heretofore taken relative to the authorization of the Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, that the Authority is now duly authorized, pursuant to each and every requirement of the Bond Law, to issue the Bonds in the form and manner provided herein for the purpose of providing funds to refund the 2000 Bonds, and that the Bonds shall be entitled to the benefit, protection and security of the provisions hereof.

Section 2.02. Terms of Bonds.

(A) The Bonds shall be designated the Pasadena Public Financing Authority Taxable Variable Rate Demand Lease Revenue Refunding Bonds (Paseo Colorado Parking Facilities), Series 2008” and shall be issued in the aggregate principal amount of [\$_____]. The Bonds shall be issued as fully registered Bonds without coupons in Authorized Denominations. The Bonds shall be dated as of their date of original issuance and delivery, and shall mature (subject to prior redemption) on June 1, 2038.

(B)

(1) Each Bond shall accrue interest from the Interest Payment Date next preceding the date of authentication thereof, unless (i) it is authenticated after a Regular Record Date and prior to the next succeeding Interest Payment Date, in which event it shall bear interest from the next succeeding Interest Payment Date, (ii) it is authenticated

on an Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (iii) it is authenticated prior to the close of business on the first Regular Record Date, in which event it shall bear interest from the date of delivery of the Bonds. Each Bond shall bear interest at the rates determined pursuant to this Article II, payable on each Interest Payment Date, for the immediately preceding Interest Payment Period. The interest so payable on any Interest Payment Date will be paid in accordance with Section 2.02(B)(3) to the person in whose name the Bond is registered as of the Regular Record Date for such Interest Payment Date, except as provided below. The amount of interest so payable on any Interest Payment Date shall be computed (1) on the basis of a 365- or 366-day year, as applicable, for the number of days actually elapsed during Weekly Rate Periods, and (2) on the basis of a 360-day year consisting of twelve 30-day months from and after the Fixed Rate Date.

(2) Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Owner on such Regular Record Date and shall be paid to the person in whose name the Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof being given to the Owners not fewer than 10 days prior to such Special Record Date.

(3) Interest with respect to Bonds in a Weekly Mode shall be paid by wire transfer of immediately available funds (or upon request by check mailed by first-class mail) to each Owner to the wire transfer account within the United States or at the address, as the case may be, shown on the registration books maintained by the Trustee. Interest with respect to Bonds in the Fixed Rate Mode shall be paid by check mailed by first-class mail to each Owner at the address shown on the registration books maintained by the Trustee; provided, however, that interest with respect to Bonds in the Fixed Rate Mode shall be paid by wire transfer of immediately available funds to an account within the United States to any Owner of at least \$1,000,000 in aggregate principal amount of Bonds, at its option, according to wire instructions given to the Trustee in writing for such purpose and on file prior to the Regular Record Date preceding the Interest Payment Date (or prior to the applicable Special Record Date preceding payment of defaulted interest). All wire instructions given to the Trustee shall remain in effect until rescinded in writing by the Owner.

(4) Interest on any Bond shall cease to accrue (i) on the maturity date thereof, provided that there has been irrevocably deposited with the Trustee in accordance with this Trust Agreement an amount sufficient to pay the principal amount thereof, plus interest accrued thereon to such date; or (ii) on the redemption date thereof, provided that there has been irrevocably deposited with the Trustee in accordance with this Trust Agreement an amount sufficient to pay the Redemption Price thereof, plus interest accrued thereon to such date. The Owner of such Bond shall not be entitled to any other payment, and such Bond shall no longer be Outstanding and entitled to the benefits of this Trust Agreement, except for the payment of the principal amount plus accrued interest thereon or Redemption Price of such Bond, as appropriate, from moneys held by the Trustee for such payment.

(5) Anything herein to the contrary notwithstanding, in no event shall the interest rate borne by the Bonds (except Bank Bonds) exceed the Maximum Interest Rate.

(C) The principal of the Bonds shall be payable by check in lawful money of the United States of America at the Corporate Trust Office of the Trustee. No payment of principal shall be made on any Bond unless and until such Bond is tendered to the Trustee at the Corporate Trust Office for cancellation.

(D) The Bonds shall be subject to redemption as provided in Article III and to tender for purchase as provided in Article IV.

(E) The Trustee shall to the extent reasonably practicable identify all payments (whether made by check or by wire transfer) of interest, principal and premium by CUSIP number of the related Bonds.

Section 2.03. Initial Interest Rate. Initially, the Bonds shall bear interest at a Weekly Rate determined from time to time in accordance with the provisions of Section 2.04 or the Fixed Rate determined in accordance with the provisions of Section 2.05.

Section 2.04. Determination of Weekly Interest Rates.

(A) During each Weekly Rate Period, the Bonds shall bear interest at the applicable Weekly Rate, which shall be determined by the Remarketing Agent by 10:00 a.m. New York City time, on the Rate Determination Date during such Weekly Rate Period, or if such day shall not be a Business Day, then on the next preceding Business Day; provided, however, that the first Weekly Rate determined for the initial Weekly Rate Period shall be determined by the Underwriter on or prior to the first day of such Weekly Rate Period. The first Weekly Rate determined for the initial Weekly Rate Period shall apply to the period commencing on the first day of such Weekly Interest Period and ending on the next succeeding Wednesday. Thereafter, each Weekly Rate shall apply to the period commencing on Thursday and ending on the next succeeding Wednesday; provided however, that in the case of a conversion from a Weekly Mode to the Fixed Rate Mode, the last Weekly Rate Period prior to the conversion shall end on the last day immediately preceding the Fixed Rate Date. The Weekly Rate shall be the lowest rate of interest not in excess of the Maximum Interest Rate that, in the judgment of the Remarketing Agent, would cause the Bonds to have a market value equal to the principal amount thereof, plus accrued interest thereon, if applicable, under prevailing market conditions as of the Rate Determination Date. If the Remarketing Agent fails for any reason to determine or notify the Trustee of the interest rate for any Weekly Rate Period when required hereunder, the interest rate for such period shall be deemed to be the interest rate then in effect. In no event shall the interest rate on any Bonds, except Bank Bonds, for any Weekly Rate Period exceed the Maximum Interest Rate.

Notice of each Weekly Rate shall be given by the Remarketing Agent to the Trustee, the Tender Agent, the Liquidity Bank, the Authority and the City by telecopier, or other electronic means acceptable to the parties, not later than 10:00 a.m., New York City time on the Rate Determination Date. The Trustee shall inform any Owner of the Bonds of the rates determined upon reasonable request of such Owner.

Anything herein to the contrary notwithstanding, Bank Bonds shall bear interest at the Bank Rate from time to time in effect and shall be payable in the manner set forth in the Liquidity Facility.

All determinations of interest rates pursuant to this Section shall be conclusive and binding upon the Authority, the City, the Trustee and the Owners of the Bonds to which such rates are applicable. The Authority, the City, the Trustee, the Tender Agent, and the Remarketing Agent shall not be liable to any Owners for failure to give any notice required above or for failure of any Owners to receive any such notice.

Section 2.05. Fixed Rate Conversion.

(A) At the direction of the Authority, and at the Written Request of the City, after the initial Weekly Rate Period, the Bonds in a Weekly Mode may be converted to be payable at a Fixed Rate to their final maturity or earlier redemption. Prior to any such conversion, the Authority shall furnish the Trustee with a letter from S&P and Fitch stating that such conversion will not result in a withdrawal or reduction of the long-term rating on the Bonds by S&P or Fitch. Any such conversion shall be made as follows:

(i) The Fixed Rate Date shall be an Interest Payment Date on which interest is payable for the Bonds to be converted.

(ii) The Authority shall give written notice of any such conversion to the Remarketing Agent, the Trustee, the Tender Agent, the Liquidity Bank, S&P and Fitch not fewer than 45 days prior to the proposed Fixed Rate Date. Such notice shall specify the Proposed Fixed Rate Date.

(iii) Notice of conversion shall be given not less than 30 days prior to the Proposed Fixed Rate Date, by first-class mail, by the Trustee to the Owners of all Outstanding Bonds as their addresses appear on the registration books of the Trustee on the date the Trustee receives the notice referred to in Section 2.05(A)(ii) above. The notice of conversion mailed to Bondholders shall set forth the information required by Section 4.02(C) hereof.

(iv) Not later than 3:30 p.m., New York City time, on a Business Day that is at least seven (7) and not more than twenty (20) Business Days prior to the Proposed Fixed Rate Date, the Remarketing Agent shall determine the Fixed Rate for the Bonds. The Fixed Rate shall be the rate of interest on the Bonds on and after the Fixed Rate Date and shall be the lowest rate of interest (not in excess of the Maximum Interest Rate) that, in the judgment of the Remarketing Agent as of the date of determination and under prevailing market conditions, would cause the Bonds to have a market value equal to the principal amount thereof. Such determination shall be conclusive and binding upon the Authority, the City, the Trustee, the Remarketing Agent and the Owners of the Bonds. Not later than 4:00 p.m., New York City time on the date of the determination of such Fixed Rate, the Remarketing Agent shall communicate such Fixed Rate by telex, telecopy or other similar electronic means of communication, followed by mailed written notice, to the Trustee, the Authority and the City.

(B) Notwithstanding the Authority's delivery of notice of the exercise of its option to effect a Fixed Rate conversion pursuant to Section 2.05(A) above, conversion to a Fixed Rate shall not take effect if: (1) the Authority, at the request of the City, withdraws such notice of conversion not later than the Rate Determination Date; (2) the Remarketing Agent fails to determine the Fixed Rate; (3) the notice to Bondholders required by Section 2.05(A)(iii) above is not given when required; or (4) the Authority fails to furnish the Trustee with written evidence that such conversion will not result in a withdrawal or reduction of the long-term rating on the Bonds by S&P or Fitch. In any of such events, the interest rate on the Bonds shall continue to be payable at a Weekly Rate commencing on the Proposed Fixed Rate Date; provided that the mandatory tender for purchase pursuant to Section 4.02(A) shall nevertheless be carried out if notice of conversion to the Fixed Rate has been given to the Bondholders. Withdrawal of a conversion notice shall be given by the Authority to the Trustee, the Tender Agent, the Remarketing Agent, the Liquidity Bank, S&P and Fitch by telephone, promptly confirmed in writing. No cancellation of conversion to the Fixed Rate pursuant to this subsection shall constitute an Event of Default hereunder.

Section 2.06. Execution of Bonds. The Bonds shall be signed in the name and on behalf of the Authority with the manual or facsimile signature of its Chairperson, Vice Chairperson or Executive Director, and attested by the manual or facsimile signature of the Secretary of the Authority. The Bonds shall then be delivered to the Trustee for registration and authentication by it. In case any of the officers who shall have signed or attested any of the Bonds shall cease to be such officer or officers before the Bonds so signed or attested shall have been authenticated or delivered by the Trustee or issued by the Authority, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though those who signed and attested the same had continued to be such officers of the Authority. Also, any Bond may be signed and attested on behalf of the Authority by such persons as on the actual date of the execution of such Bond shall be the proper officers although on the nominal date of such Bond any such person shall not have been such officer.

Only such of the Bonds as shall bear thereon a certificate of authentication and registration in the form set forth in Exhibit A hereto, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Trust Agreement, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Trust Agreement.

Section 2.07. Transfer of Bonds. The registration of any Bond may, in accordance with its terms, be transferred upon the books required to be kept pursuant to the provisions of Section 2.09 hereof, by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed. The Trustee shall require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

No registration of transfers of Bonds shall be required to be made during the period established by the Trustee for selection of Bonds for redemption or as to any Bond that has been selected for redemption.

Section 2.08. Exchange of Bonds. Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee for a like aggregate principal amount of Bonds of other Authorized Denominations. The Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

No exchanges of Bonds shall be required to be made during the period established by the Trustee for selection of Bonds for redemption or as to any Bond that has been selected for redemption.

Section 2.09. Bond Register. The Trustee will keep or cause to be kept, at its Corporate Trust Office, sufficient books for the registration of transfer of the Bonds, which shall at all reasonable times during normal business hours upon reasonable notice be open to inspection by the Authority and the City; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register the transfer or cause to be registered the transfer, on said books, of Bonds as hereinbefore provided.

Section 2.10. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denomination as may be determined by the Authority, shall be in registered form and may contain such reference to any of the provisions of this Trust Agreement as may be appropriate. Every temporary Bond shall be executed by the Authority and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds, it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Corporate Trust Office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of Authorized Denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Trust Agreement as definitive Bonds authenticated and delivered hereunder.

Section 2.11. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Authority, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be cancelled by it and delivered to, or upon the order of, the Authority. If any Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Authority and to the Trustee and, if such evidence be satisfactory to both and indemnity satisfactory to them shall be given, the Authority, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond the Trustee may pay the same without surrender upon receipt of indemnity satisfactory to the Trustee). The Authority may

require payment from the Owner of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the Authority and the Trustee. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Trust Agreement with all other Bonds secured by this Trust Agreement.

Section 2.12. Book-Entry System.

(A) Prior to the issuance of the Bonds issued hereunder, the Authority may provide that such Bonds shall be initially issued as book-entry Bonds, and in such event, each maturity of the Bonds shall be in the form of a separate single fully registered Bond (which may be typewritten).

The Depository Trust Company (“DTC”) shall act as the initial Depository for any book-entry Bonds. Upon initial execution and delivery, the ownership of each such book-entry Bond shall be registered in the registration books maintained under Section 2.09 hereof in the name of Cede & Co., as Nominee of DTC, the initial Depository for the Bonds.

With respect to book-entry Bonds, the Authority and the Trustee shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such book-entry Bonds. Without limiting the immediately preceding sentence, the Authority and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Participant with respect to the owners of beneficial interests in book-entry Bonds, (ii) the delivery to any Participant or any other person, other than an Owner as shown in the registration books maintained under Section 2.9 hereof, of any notice with respect to book-entry Bonds, including any notice of redemption or mandatory tender, (iii) the selection by the Depository and its Participants of the beneficial interests in book-entry Bonds to be redeemed in the event the Authority redeems any book-entry Bonds in part or (iv) the payment of any Participant or any other person, other than an Owner as shown in the registration books maintained under Section 2.09 hereof, of any amount with respect to the interest on or principal of, or redemption premiums, if any, on book-entry Bonds.

The Authority and the Trustee may treat and consider the person in whose name each book-entry Bond is registered in the registration books maintained under Section 2.09 hereof as the absolute Owner of such book-entry Bond for the purpose of payment of the interest on and the principal of and the redemption premium, if any, with respect to such book-entry Bond, for the purpose of giving notices of redemption and other matters with respect to such book-entry Bond, for the purpose of registering transfers with respect to such book-entry Bond and for all other purposes whatsoever. The Trustee shall pay the interest on and the principal of and the redemption premiums, if any, on the book-entry Bonds only to or upon the order of the respective Owners, as shown in the registration books maintained under Section 2.09 hereof, and all such payments shall be valid and effective to fully satisfy and discharge the obligations of the Authority with respect to payment of the interest on and the principal of and the redemption premiums, if any, on the book-entry Bonds to the extent of the sum or sums so paid. No person

other than an Owner, as shown in the registration books maintained under Section 2.09 hereof, shall receive a Bond evidencing the obligation of the Authority to make payments of the interest on and principal of and redemption premium, if any, on any book-entry Bond pursuant hereto. Upon delivery by the Depository to the Owner, the Trustee and the Authority of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to record dates, the term Nominee herein shall refer to such new nominee of the Depository.

(B) In order to qualify the book-entry Bonds for the Depository's book-entry system, the Trustee shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the Authority or the Trustee any obligation whatsoever with respect to persons having interests in such book-entry Bonds other than the Owners, as shown on the registration books required to be kept pursuant to Section 2.09 hereof. In addition to the execution and delivery of a Letter of Representations, the Authority and the Trustee shall take such other actions, not inconsistent herewith, as are reasonably necessary to qualify book-entry Bonds for the Depository's book-entry program.

(C) In the event (i) the Depository determines not to continue to act as securities depository for the Bonds, or (ii) the Authority has advised the Depository that it does not wish the Depository to continue as securities depository, then the Authority will discontinue the book-entry system with the Depository. If the Authority determines to replace the Depository with another qualified securities depository, the Authority shall prepare or direct the preparation of a new single, separate, fully registered Bond, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in subsection (D) hereof. If the Authority fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in such registration books required to be kept pursuant to Section 2.09 hereof in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such Bonds shall designate, in accordance with the provisions of Section 2.07 or 2.08 hereof.

(D)

(i) Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except:

(a) to any successor of DTC or its nominee, or of any substitute depository designated pursuant to clause (b) of subsection (i) of this Section 2.12(D) ("Substitute Depository"); provided that any successor of DTC or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(b) to any Substitute Depository not objected to by the Trustee, upon (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the Authority that DTC (or its successor) is no longer able to carry out its functions as

depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(c) to any person as provided below, upon (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the Authority to remove DTC or its successor (or Substitute Depository or its successor) from its functions as depository.

(ii) In the case of any transfer pursuant to clause (a) or clause (b) of subsection (i) of this Section 2.12(D), upon receipt of all Outstanding Bonds by the Trustee, together with a Written Request of the Authority to the Trustee designating the Substitute Depository, a single new Bond, which the Authority shall prepare or cause to be prepared, shall be executed and delivered for each maturity of Bonds then Outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may be, all as specified in such Written Request of the Authority. In the case of any transfer pursuant to clause (c) of subsection (i) of this Section 2.12(D), upon receipt of all Outstanding Bonds by the Trustee, together with a Written Request of the Authority to the Trustee, new Bonds, which the Authority shall prepare or cause to be prepared, shall be executed and delivered in Authorized Denominations and registered in the names of such persons as are requested in such Written Request of the Authority, provided that the Trustee shall not be required to deliver such new Bonds within a period of less than sixty (60) days from the date of receipt of such Written Request from the Authority.

(iii) In the case of a partial redemption or an advance refunding of any Bonds evidencing a portion of the principal maturing in a particular year, DTC or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such Bonds indicating the date and amounts of such reduction in principal, in form acceptable to the Trustee, all in accordance with the Letter of Representations. The Trustee shall not be liable for such depository's failure to make such notations or errors in making such notations.

(E) Notwithstanding any provision herein to the contrary, so long as the Bonds are subject to a system of book-entry only transfers pursuant to this Section 2.12, any requirement for the delivery of a Bond to the Tender Agent in connection with a mandatory or optional tender pursuant to Article IV hereof shall be deemed satisfied upon the transfer on the registration books of DTC, of the beneficial ownership interest in such Bonds tendered for purchase to the account of the Tender Agent or a Participant acting on behalf of such Tender Agent.