

ARTICLE VIII

LIQUIDITY FACILITIES

Section 8.01. Standby Bond Purchase Agreement for the Bonds. The Standby Bond Purchase Agreement has been delivered to the Trustee by the Liquidity Bank, and the Trustee is hereby instructed, without further direction, to request payment under the Standby Bond Purchase Agreement or any Alternate Liquidity Facility at the times, in the manner and for the purposes set forth in this Trust Agreement and in the Standby Bond Purchase Agreement or Alternate Liquidity Facility to pay the purchase price of the Bonds. No principal or interest shall be payable from the Standby Bond Purchase Agreement or Alternate Liquidity Facility, except as part of the purchase price of any Bonds.

Section 8.02. Liquidity Facility; Alternate Liquidity Facility for the Bonds.

(A) The Authority shall use its best efforts to cause a Liquidity Facility to be provided with respect to the Bonds at all times during and on the first day following a Weekly Rate Period. The Liquidity Facility shall be available solely to pay purchase price of the Bonds. The Trustee shall not surrender, terminate or cancel any Liquidity Facility or consent thereto except as expressly provided in this Trust Agreement.

(B) If at any time there shall be delivered to the Trustee (a) an Alternate Liquidity Facility with respect to the Bonds, (b) an Opinion of Bond Counsel to the effect that the action proposed to be taken is authorized hereunder, (c) written evidence from S&P and Fitch to the effect that each such rating agency has reviewed the proposed Alternate Liquidity Facility and the ratings of the Bonds after substitution of such Alternate Liquidity Facility will not be reduced or withdrawn as a result of the substitution of such Alternate Liquidity Facility, (d) an Opinion of Counsel satisfactory to the Trustee that no registration of the Bonds or the Alternate Liquidity Facility is required under the Securities Act of 1933, as amended, or that any such registration has been completed, (e) an Opinion of Counsel satisfactory to the Trustee to the effect that such Alternate Liquidity Facility is a valid and enforceable obligation of the issuer or provider thereof, and (vi) all information required to give the notice of mandatory tender for purchase of the Bonds as required by Section 4.02(B), then the Trustee shall accept such Alternate Liquidity Facility and, after effective date of such Alternate Liquidity Facility and after the date of any mandatory tender for purchase established pursuant to Section 4.02(B), promptly surrender, terminate or cancel the Liquidity Facility then in effect in accordance with its terms.

(C) If at any time all of the Bonds shall have been defeased pursuant to Section 14.01 of this Trust Agreement, the Trustee shall surrender, terminate or cancel the Liquidity Facility in effect prior to such defeasance in accordance with the terms of such Liquidity Facility.

Section 8.03. Rights and Duties under Liquidity Facility Relating to the Bonds. The Authority agrees that the Trustee in its name or in the name of the Authority shall enforce all rights of the Trustee and all obligations of the Liquidity Bank (including the obligation, if any, of the Liquidity Bank to honor requests for payment duly presented in accordance with the terms and conditions of a Liquidity Facility) under and pursuant to the Liquidity Facility, for the benefit of the Bondholders of the Bonds. The Trustee agrees to assume and perform the duties

and obligations, if any, contemplated under the Liquidity Facility to be assumed and performed by the Trustee.

Section 8.04. Notice of Termination or Other Change in Liquidity Facility for the Bonds.

The Trustee shall give notice by mail to the Bondholders of the Bonds (1) on or before the 15th day preceding the termination or expiration of any Liquidity Facility in accordance with its terms, or any reduction, replacement or material modification of the terms of the Liquidity Facility, or (2) in the case of receipt by the Trustee of notice from the Liquidity Bank that an event of default has occurred under the Liquidity Facility and directing the Trustee to effect a mandatory purchase of the Bonds, within two Business Days following the receipt of such notice of an event of default, which notice shall, to the extent applicable, (a) describe generally the Liquidity Facility in effect prior to such termination, expiration or replacement, and the Alternate Liquidity Facility, if any, to be in effect upon such termination, expiration or replacement, (b) state the date of such termination, expiration, reduction, replacement or modification, (c) describe any reduction or modification of the Liquidity Facility, (d) specify the rating, if any, to be applicable to the Bonds after such termination, expiration, reduction, replacement or modification of the Liquidity Facility or state that no ratings have been obtained with respect to the Bonds for the period subsequent to such termination, expiration, reduction, replacement or modification, and (e) unless the Liquidity Facility has been replaced by an Alternate Liquidity Facility as provided in Section 8.02(B) and the second paragraph of Section 4.02(B), state that the Bonds will be purchased pursuant to Section 4.02(B) on the second Business Day preceding such termination, expiration, reduction, replacement or modification or, in the case of a mandatory purchase due to the occurrence of an event of default under the Liquidity Facility, on the date determined as provided in Section 4.02(B). The Authority will give the Trustee written notification of any termination, expiration, reduction, replacement or modification, of the terms of or event of default under the Liquidity Facility as soon as practicable after receiving knowledge thereof. The Authority shall provide the Trustee with written notice of any information required to enable the Trustee to give the foregoing notice and shall provide the Trustee with the form of such notice; provided, however, that in the event the Authority shall fail to provide such notice, the Trustee shall provide such notice.

ARTICLE IX

RESERVED

ARTICLE X

REMARKETING AGENT, TENDER AGENT

Section 10.01. The Remarketing Agent. The Authority hereby appoints Merrill Lynch, Pierce, Fenner & Smith Incorporated as the initial Remarketing Agent for the Bonds. The Remarketing Agent and each successor Remarketing Agent appointed in accordance with this Trust Agreement shall designate its principal office and signify its acceptance of the duties and obligations imposed upon it as described herein by entering into a Remarketing Agreement with the Authority delivered to the Trustee.

There shall be a Remarketing Agent under this Trust Agreement at all times prior to the conversion of the Bonds to a Fixed Rate. The Remarketing Agent shall hold any moneys delivered to it in connection with the remarketing of the Bonds in trust in non-commingled funds solely for the benefit of the person or entity which has delivered such moneys until such moneys have been delivered to the Tender Agent as proved herein.

A Remarketing Agent may in good faith hold any security issued by the City; own, accept or negotiate any drafts, bills of exchange, acceptances or obligations thereof; and make disbursements therefor and enter into any commercial or business arrangement therewith; all without any liability on the part of such Remarketing Agent for any real or apparent conflict of interest by reason of any such actions.

Section 10.02. Qualifications of Remarketing Agent; Resignation; Removal. The Remarketing Agent shall be a member of the National Association of Securities Dealers, having a combined capital stock, surplus and undivided profits of at least \$15,000,000 and authorized by law to perform all the duties imposed upon it by this Trust Agreement. A Remarketing Agent may at any time resign and be discharged of the duties and obligations described in this Trust Agreement by giving at least [60] days' notice to the Authority, the Trustee, the Tender Agent and the Liquidity Bank. Successor Remarketing Agents may be appointed from time to time by the Authority. A Remarketing Agent may be removed at any time by the Authority upon written notice to such Remarketing Agent, the Trustee, the Tender Agent, the Liquidity Bank and the City, so long as a successor Remarketing Agent shall have assumed the duties thereof by the effective date of such removal.

Notwithstanding any other provision to the contrary contained herein, any corporation or association into which the Remarketing Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its marketing business and assets as a whole or substantially as a whole, shall become successor Remarketing Agent hereunder and fully vested with all of the rights, powers, trusts, duties and obligations of the Remarketing Agent hereunder, without the execution or filing of any instrument or any further act.

Section 10.03. Tender Agent. The Authority hereby appoints Wells Fargo Bank, National Association, acting through its New York agent, as the initial Tender Agent for the Bonds, and it and each successor Tender Agent appointed in accordance with this Trust Agreement shall designate its Principal Corporate Office and signify its acceptance of the duties and obligations imposed upon it as described herein by a written instrument of acceptance delivered to the Trustee and the Authority. The Tender Agent hereby agrees:

(1) to hold all Bonds delivered to it for purchase hereunder in trust for the exclusive benefit of the respective Owners that shall have so delivered such Bonds until moneys representing the purchase price of such Bonds shall have been delivered to or for the account of or to the order of such Owners;

(2) to hold all moneys delivered to it hereunder for the purchase of Bonds in trust for the exclusive benefit of the persons that shall have so delivered such moneys until the Bonds purchased with such moneys shall have been delivered to it for the

account of such persons and, thereafter, for the benefit of the Owners tendering such Bonds; and

(3) to hold all Bonds registered in the name of the new Bondholders thereof which have been delivered to it by the Trustee for delivery to the Remarketing Agent in accordance herewith;

(4) to hold Bank Bonds for the account of the Liquidity Bank as contemplated by Section 4.06(B); and

(5) to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Trustee, the Remarketing Agent and the City.

Section 10.04. Qualifications and Certain Responsibilities of Tender Agent.

(A) Any successor Tender Agent shall be a banking institution or trust company duly organized under the laws of the United States of America or any state or territory thereof, having (or if such banking institution or trust company is a member of a bank holding company system, its bank holding company has) a combined capital stock, surplus and undivided profits of at least \$50,000,000, and authorized by law to perform all duties imposed upon it hereunder. Each Tender Agent shall be consented to by the Liquidity Bank and have an office or agency in New York, New York. A Tender Agent may at any time resign and be discharged of its duties and obligations by giving at least 60 days' notice to the Trustee, the Liquidity Bank and the Remarketing Agent. Any Tender Agent may be removed at any time by the Authority upon notice to such Tender Agent, the Trustee, the Liquidity Bank, the City and the Remarketing Agent. Any such resignation or removal shall not take effect until the appointment of a successor Tender Agent. Successor Tender Agents may be appointed from time to time by the Authority. The Trustee shall provide notice of such successor Tender Agent to all Owners of the Bonds.

(B) Upon the resignation or removal of a Tender Agent, such Tender Agent shall deliver any Bonds and moneys held by it in such capacity to its successor.

(C) The recitals of facts herein and in the Bonds shall be taken as statements of the Authority, and the Tender Agent assumes no responsibility for the correctness of the same, makes no representations as to the validity or sufficiency of this Trust Agreement or of the Bonds, and shall not incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it.

(D) The Tender Agent may consult with counsel, who may be counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, omitted or suffered by it hereunder in good faith and in accordance therewith.

(E) No provision of this Trust Agreement shall require the Tender Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder, or in the exercise of its rights or powers, if it shall have reasonable grounds for

believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(F) The responsibilities of the Tender Agent shall be governed by the provisions of this Trust Agreement.

ARTICLE XI

THE TRUSTEE

Section 11.01. Duties, Immunities and Liabilities of Trustee.

(A) The Authority hereby appoints Wells Fargo Bank, National Association, as the initial Trustee for the Bonds for the purpose of receiving all money which the Authority is required to deposit with the Trustee hereunder and for the purpose of allocating, applying and using such money as provided herein and for the purpose of paying the interest on and principal of and redemption premiums, if any, on the Bonds presented for prepayment at its designated Corporate Trust Office.

(B) The Trustee shall, prior to an Event of Default, and after the curing of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Trust Agreement, it being understood that no implied duties are to arise hereunder. The Trustee shall, during the existence of any Event of Default (which has not been cured), exercise such of the rights and powers vested in it by this Trust Agreement, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(C) The Authority may, and upon written request of the City and with the written consent of the Liquidity Bank, shall, remove the Trustee at any time other than during the occurrence and continuation of an Event of Default, and shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (F) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee shall be appointed, or any public officer shall take control or charge of the Trustee its affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee, and thereupon shall appoint, with the written consent of the City and the Liquidity Bank, a successor Trustee by an instrument in writing. In the event of a removal as described herein, the Trustee shall receive indemnification satisfactory to it with respect to actions taken by it during the time it acted in the capacity of Trustee hereunder and complete payment of all outstanding fees and costs.

(D) The Trustee may at any time resign by giving written notice of such resignation to the Authority and by giving the Bondholders notice of such resignation by mail at the addresses shown on the Bond registration books maintained by the Trustee. Upon receiving such notice of

resignation, the Authority shall promptly appoint, with the written consent of the City and the Liquidity Bank, a successor Trustee by an instrument in writing.

(E) In addition to any other requirements hereunder, any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee with notice to the Liquidity Bank. If no successor Trustee shall have been appointed and have accepted appointment within 45 days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Bondholder (on behalf of himself and all other Bondholders) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Trust Agreement shall signify its acceptance of such appointment by executing and delivering to the Authority and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Written Request of the Authority or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any leased premises held by it under this Trust Agreement and shall pay over, transfer, assign and deliver to the successor Trustee any money or other leased premises subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Authority shall mail a notice of the succession of such Trustee to the trusts hereunder to the Bondholders at the addresses shown on the Bond registration books maintained by the Trustee. If the Authority fails to mail such notice within 30 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Authority.

(F) Any Trustee appointed under the provisions of this Trust Agreement shall be a corporation, trust company or commercial bank having trust powers and subject to supervision or examination by federal or state authority, having (or if such banking institution or trust company is a member of a bank holding company system, its bank holding company has) a combined capital stock, surplus and undivided profits of at least \$50,000,000, and authorized by law to perform all duties imposed upon it hereunder. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (F), the Trustee shall resign in the manner and with the effect specified in this Section.

Section 11.02. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under subsection (F) of Section 11.01, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the

contrary notwithstanding. The Trustee and such successor to the Trustee shall take whatever steps may be necessary for the Liquidity Facility to be transferred to such successor to the Trustee.

Section 11.03. Liability of Agents.

(A) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Authority, and the Trustee does not assume any responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of this Trust Agreement, the Lease or the Bonds, or incur any responsibility or liability in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it and the Trustee shall be indemnified therefore, which indemnity shall not be subject to set-off. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee shall not be liable for the actions of its agents appointed hereunder with due care.

(B) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(C) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Trust Agreement. The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty.

(D) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Trust Agreement at the request, order or direction of any of the Bondholders pursuant to the provisions of this Trust Agreement unless such Bondholders shall have offered to the Trustee security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities which may be incurred therein or thereby.

(E) The Trustee shall not be deemed to have knowledge of any Event of Default unless and until a Responsible Officer shall have actual knowledge thereof, or until it shall have received written notice thereof at its Corporate Trust Office. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds or as to the existence of an Event of Default hereunder.

(F) No provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers. The Trustee has no obligation or liability to the Bondholders for the payment of interest, principal or redemption premium, if any, with respect to the Bonds.

(G) The Trustee shall not be bound to ascertain or inquire as to the validity or genuineness of any collateral given to or held by it. The Trustee shall not be responsible for the recording or filing of any document relating to this Trust Agreement or of financing statements (or continuation statements in connection therewith) or of any supplemental instruments or documents of further assurance as may be required by law in order to perfect the security interests in any collateral given to or held by it.

(H) The Trustee shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

(I) The Trustee makes no representation or warranty, express or implied as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose for the use contemplated by the Authority or the City of the Leased Premises. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the Lease or this Trust Agreement for the existence, furnishing or use of the Leased Premises.

(J) The rights given the Trustee under the Lease are subject in all respects to the privileges and immunities afforded the Trustee under this Trust Agreement.

Section 11.04. Right of Trustee to Rely on Documents. The Trustee shall be protected in acting upon any notice, requisition, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the Authority, with regard to legal questions, and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of the trusts imposed upon it by this Trust Agreement the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of the Authority, and such Certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Trust Agreement in reliance upon such Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

Section 11.05. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Trust Agreement shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority and any Bondholder, and their agents and representatives duly authorized in writing, at reasonable hours, upon reasonable notice and under reasonable conditions.

Section 11.06. Compensation and Indemnification of Trustee. Subject to any written agreements to the contrary, the Trustee shall be entitled to payment for its reasonable fees and

expenses for all services performed under this Trust Agreement, including all reasonable fees and expenses of its attorneys, agents, and employees, subject to the provisions of any agreement between the Trustee and the Authority or the City. To the extent permitted by law, the Authority shall indemnify, defend, and hold harmless the Trustee and its officers, directors, employees, and agents against any loss, liability, or expense incurred without negligence or willful misconduct on its part, arising out of or in connection with the acceptance or administration of this trust, including costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers hereunder. The rights of the Trustee and the obligation of the Authority under this Section shall survive termination of the Trust Agreement, discharge of the Bonds or removal or reorganization of the Trustee.

ARTICLE XII

EVENTS OF DEFAULT; REMEDIES ON DEFAULT

Section 12.01. Events of Default; Remedies. The following events shall be Events of Default hereunder:

- (i) default in the due and punctual payment of the principal of, or premium (if any) on, any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise;
- (ii) default in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable;
- (iii) failure by the Authority in the performance or observance of any other of the covenants, agreements or conditions on its part in this Trust Agreement or in the Bonds contained, and continuance of such failure for a period of 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the Authority and the City by the Trustee, or to the Authority, the City and the Trustee by the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding; or
- (iv) the occurrence and continuance of a Lease Default Event.

If a failure by the Authority specified in (iii) above shall be such that it cannot be corrected within the applicable 30-day period, such failure shall not constitute an Event of Default if corrective action is instituted by the Authority or the City has hereinafter provided within the applicable period and diligently pursued. With regard to any alleged default concerning which notice is given to the City under the provisions of this Section, the Authority hereby grants the City full authority for the account of the Authority to perform any covenant or obligation the non-performance of which is alleged in such notice to constitute a default in the name and stead of the Authority with full power to do any and all acts to the same extent that the Authority could do and perform any such things and acts and with power of substitution.

If an Event of Default shall happen, then, and in each and every such case during the continuance of such Event of Default, the Trustee may exercise any and all remedies available pursuant to law or granted pursuant to the Lease; provided, however, that notwithstanding anything herein or in the Lease to the contrary, THERE SHALL BE NO RIGHT UNDER ANY CIRCUMSTANCES TO ACCELERATE THE MATURITIES OF THE BONDS OR OTHERWISE TO DECLARE ANY LEASE PAYMENTS NOT THEN IN DEFAULT TO BE IMMEDIATELY DUE AND PAYABLE.

Section 12.02. Institution of Legal Proceedings by Trustee. If one or more Events of Default shall happen and be continuing, the Trustee in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Owners of Bonds under the Lease or this Trust Agreement by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights or duties hereunder.

Section 12.03. Application of Moneys Collected by Trustee. Any moneys collected by the Trustee pursuant to Section 12.02 shall be applied in the following order, at the date or dates fixed by the Trustee and, in the case of distribution of such moneys on account of principal (or premium, if any), upon presentation of the Bonds, and stamping thereon the payment, if only partially paid, and upon surrender thereof, if fully paid:

First: To the payment of costs and expenses of collection and reasonable compensation to the Trustee for its own services and for the services of counsel, agents and employees by it properly engaged and employed, and all other expenses and liabilities incurred, and for advances made pursuant to the provisions of this Trust Agreement; provided, however, that moneys derived from drawings under the Liquidity Facility, moneys set aside to pay principal of or interest on any particular Bonds (including moneys held for non-presented Bonds or held under Section 14.03, and the proceeds from remarketing of the Bonds shall not be used to pay any of the items listed in this paragraph First.

Second: In case the principal of none of the Bonds (including Bank Bonds) shall have become due and remains unpaid, to the payment of interest in default, such payments to be made ratably and proportionately to the persons entitled thereto without discrimination or preference.

Third: In case the principal of any of the Bonds (including Bank Bonds) shall have become due by declaration or otherwise and remains unpaid, first to the payment of interest in default in the order of maturity thereof, and then to the payment of the principal of all Bonds then due and unpaid and the premium thereon, if any; in every instance such payment to be made ratably to the persons entitled thereto without discrimination or preference.

Whenever moneys are to be applied pursuant to the provision of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal and past-due interest to be paid on such date shall cease to accrue.

Whenever all principal of and interest on all Bonds have been paid under the provisions of this Section and all fees, expenses and charges of the Trustee (including without limitation those of its attorneys) have been paid, any balance remaining in the funds and accounts hereunder shall be paid to the City.

Section 12.04. Effect of Delay or Omission to Pursue Remedy. No delay or omission of the Trustee or of any Owner of Bonds to exercise any right or power arising from any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every power and remedy given by this Article XII to the Trustee or to the Owners of Bonds may be exercised from time to time, and as often as shall be deemed expedient. In case the Trustee shall have proceeded to enforce any right under this Trust Agreement, and such proceedings shall have been discontinued or abandoned because of waiver or for any other reason, or shall have been determined adversely to the Trustee, then and in every such case the Authority and the Trustee, and the Liquidity Bank, and the Owners of the Bonds, severally and respectively, shall be restored to their former positions and rights hereunder in respect to the trust estate; and all remedies, rights and powers of the Authority, the Trustee, and the Liquidity Bank and the Owners of the Bonds shall continue as though no such proceedings had been taken.

Section 12.05. Remedies Cumulative. No remedy herein conferred upon or reserved to the Trustee or to any Owner of the Bonds is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

Section 12.06. Covenant to Pay Bonds in Event of Default. The Authority covenants that, upon the happening of any Event of Default, the Authority will pay, but only out of Revenues and the other funds herein provided therefor, to the Trustee, upon demand, for the benefit of the Owners of the Bonds (including Bank Bonds), the whole amount then due and payable thereon (by declaration or otherwise) for interest or for principal and premium, or both, as the case may be, and all other sums which may be due hereunder or secured hereby, including reasonable compensation to the Trustee and its agents and counsel and any expenses or liabilities incurred by the Trustee hereunder and, its agents and counsel. In case the Authority shall fail to pay the same forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, shall be entitled to institute proceedings at law or in equity in any court of competent jurisdiction to recover judgment for the whole amount due and unpaid, together with costs and reasonable attorneys' fees, subject, however, to the condition that such judgment, if any, shall be limited to, and payable solely out of, Revenues as herein provided and not otherwise. The Trustee shall be entitled to recover such judgment as aforesaid, either before or

after or during the pendency of any proceedings for the enforcement of this Trust Agreement, and the right of the Trustee to recover such judgment shall not be affected by the exercise of any other right, power or remedy for the enforcement of the provisions of this Trust Agreement.

Section 12.07. Trustee Appointed Agent for Bondholders. The Trustee is hereby appointed the agent and attorney-in-fact of the Owners of all Bonds Outstanding hereunder for the purpose of filing any claims relating to the Bonds.

Section 12.08. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken some action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion, upon the request of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default hereunder, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of at least a majority in aggregate principal amount of the Bonds Outstanding hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

Section 12.09. Limitation on Bondholders' Right to Sue. Notwithstanding any other provision hereof, no Owner of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Trust Agreement unless (A) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default hereunder; (b) the Owners of at least a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to enforce any right under this Trust Agreement, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Trust Agreement shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds.

The right of any Owner of any Bond to receive payment of the principal of and premium, if any, and interest on such Bond out of Revenues and the funds pledged herein, as herein provided, on and after the respective due dates expressed in such Bond, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or

affected without the consent of such Owner, notwithstanding the foregoing provisions of this Section or Section 10.08 or any other provision of this Trust Agreement.

ARTICLE XIII

MODIFICATION OF TRUST AGREEMENT

Section 13.01. Modification without Consent of Bondholders. Subject to the conditions and restrictions in this Trust Agreement contained, the Authority and the Trustee, from time to time and at any time, may enter into an trust agreement or trust agreements supplemental hereto, which trust agreement or trust agreements thereafter shall form a part hereof, including, without limitation, for one or more of the following purposes; provided that the Authority and the Trustee shall have received the written consent of the City and the Liquidity Bank and the Trustee shall have received a written representation from the Authority to the effect that such amendment or modification will not materially and adversely affect the interests of the Owners of the Bonds; provided that, if an Event of Default has occurred and is continuing, the Trustee rather than the Authority shall make a determination that such amendment or modification will not materially and adversely affect the interests of the Owners of the Bonds (provided that, in making such determination, the Trustee may conclusively rely on written representations of financial consultants or advisors or the opinion or advice of counsel):

(A) to add to the covenants and agreements of the Authority in this Trust Agreement contained, other covenants and agreements thereafter to be observed, or to assign or pledge additional security for the Bonds, or to surrender any right or power herein reserved to or conferred upon the Authority;

(B) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing, correcting or supplementing any defective provision, contained in this Trust Agreement, or in regard to such matters or questions arising under this Trust Agreement as the Authority may deem necessary or desirable and not inconsistent with this Trust Agreement;

(C) to modify, amend or supplement this Trust Agreement or any trust agreement supplemental hereto in such manner as to permit the qualification hereof or thereof under the Trust Agreement Act of 1939 or any similar federal statute hereafter in effect, and, if they so determine, to add to this Trust Agreement or any trust agreement supplemental hereto such other terms, conditions and provisions as may be permitted by said Trust Agreement Act of 1939 or similar federal statute;

(D) in connection with an amendment of the Lease permitted by Section 7.06 hereof for the purpose of conforming the terms, conditions and covenants of this Trust Agreement to the corresponding or related provisions of such amended Lease; or

(E) for any other purpose.

Any Supplemental Trust Agreement authorized by the provisions of this Section may be executed by the Authority and the Trustee without the consent of the Owners of any of the Bonds, notwithstanding any of the provisions of Section 13.02, but the Trustee shall not be

obligated to enter into any such supplemental trust agreement which affects the Trustee's own rights, duties or immunities under this Trust Agreement or otherwise.

The Trustee shall mail an executed copy of any Supplemental Trust Agreement authorized by this Section to S&P and Fitch promptly after execution by the Authority and the Trustee.

Section 13.02. Modification with Consent of the Bondholders. With the written consent of the City or the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, and with the written consent of the Liquidity Bank, the Authority and the Trustee may from time to time and at any time, enter into a trust agreement or trust agreements supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Trust Agreement or of any Supplemental Trust Agreement; provided, however, that no such Supplemental Trust Agreement shall (1) extend the fixed maturity of any Bonds or reduce the rate of interest thereon or extend the time of payment of interest, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof or (2) reduce the aforesaid percentage of Owners of Bonds whose consent is required for the execution of such supplemental trust agreements or extend the time of payment or permit the creation of any lien on the Revenues or the funds pledged herein prior to or on a parity with the lien of this Trust Agreement or deprive the Owners of the Bonds of the lien created by this Trust Agreement upon the Revenues or the funds pledged herein, in each case without the consent of the Owners of all the Bonds then Outstanding. Upon receipt by the Trustee of a Certificate of the Authority authorizing the execution of any such Supplemental Trust Agreement, and upon the filing with the Trustee of evidence of the consent of the City and the Bondholders, as aforesaid, the Trustee shall join with the Authority in the execution of such Supplemental Trust Agreement unless such Supplemental Trust Agreement affects the Trustee's own rights, duties or immunities under this Trust Agreement or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such Supplemental Trust Agreement.

It shall not be necessary for the consent of the City and the Bondholders under this Section to approve the particular form of any proposed Supplemental Trust Agreement, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the execution by the Authority and the Trustee of any Supplemental Trust Agreement pursuant to the provisions of this Section, the Authority shall mail a notice, setting forth in general terms the substance of such Supplemental Trust Agreement, to the City and the Bondholders at the addresses shown on the Bond registration books maintained by the Trustee. Any failure of the Authority to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Trust Agreement.

The Trustee shall mail an executed copy of such Supplemental Trust Agreement and any amendment to the Lease to S&P and Fitch promptly after execution by the parties thereto.

Section 13.03. Effect of Supplemental Trust Agreement. Upon the execution of any Supplemental Trust Agreement pursuant to the provisions of this Article XIII, this Trust Agreement shall be and shall be deemed to be modified and amended in accordance therewith,

and the respective rights, duties and obligations under this Trust Agreement of the Authority, the Trustee and all Owners of Outstanding Bonds shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Trust Agreement shall be part of the terms and conditions of this Trust Agreement for any and all purposes.

Section 13.04. Opinion of Counsel as to Supplemental Trust Agreement. Subject to the provisions of Sections 13.01 and 13.02 requiring delivery of an Opinion of Bond Counsel, the Trustee may receive an Opinion of Counsel as conclusive evidence that any Supplemental Trust Agreement executed pursuant to the provisions of this Article IX complies with the requirements of this Article XIII.

Section 13.05. Notation of Modification on Bonds; Preparation of New Bonds. Bonds authenticated and delivered after the execution of any supplemental trust agreement pursuant to the provisions of this Article XIII may bear a notation, in form approved by the Authority, as to any matter provided for in such supplemental trust agreement, and if such supplemental trust agreement shall so provide, new Bonds, so modified as to conform, in the opinion of the Authority, to any modification of this Trust Agreement contained in any such supplemental trust agreement, may be prepared by the Authority, authenticated by the Trustee and delivered without cost to the Owners of the Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amounts.

ARTICLE XIV

DEFEASANCE

Section 14.01. Discharge of Trust Agreement. Bonds may be paid by the Authority in any of the following ways, provided that the Authority also pays or causes to be paid any other sums payable hereunder by the Authority (including all amounts due and owing on Bank Bonds and all obligations due and owing to the Liquidity Bank pursuant to the Liquidity Facility):

- (i) by paying or causing to be paid the principal of and premium, if any, and interest on the Bonds Outstanding, as and when the same become due and payable;
- (ii) by depositing with the Trustee, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 14.03) to pay or redeem Bonds Outstanding; or
- (iii) by delivering to the Trustee, for cancellation by it, all Bonds Outstanding;

If the Authority shall pay all Bonds then Outstanding as provided above and shall also pay or cause to be paid all other sums payable hereunder by the Authority (including all amounts due and owing on Bank Bonds and all obligations due and owing to the Liquidity Bank pursuant to the Liquidity Facility), then and in that case, at the election of the Authority (evidenced by a Certificate of the Authority, filed with the Trustee, signifying the intention of the Authority to discharge all such indebtedness and this Trust Agreement), and notwithstanding that any Bonds shall not have been surrendered for payment, this Trust Agreement and the pledge of Revenues

made under this Trust Agreement and all covenants, agreements and other obligations of the Authority under this Trust Agreement shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Section 14.02. In such event, upon request of the Authority, the Trustee shall cause an accounting for such period or periods as may be requested by the Authority to be prepared and filed with the Authority and shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign or deliver all money or securities or other property held by it pursuant to this Trust Agreement which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption, and which are not required for the payment of fees and expenses of the Trustee to the City.

Section 14.02. Discharge of Liability on Bonds. Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 14.03) to pay or redeem any Outstanding Bond, whether upon or prior to its maturity or the redemption date of such Bond, (provided that, if such Bond is to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article III provided or provision satisfactory to the Trustee shall have been made for the giving of such notice), then all liability of the Authority in respect of such Bond shall cease, terminate and be completely discharged, except only that thereafter the Owner thereof shall be entitled to payment of the principal of, and premium, if any, and interest on such Bond by the Authority, and the Authority shall remain liable for such payment but only out of the money or securities deposited with the Trustee as aforesaid for its payment, provided further, however, that the provisions of Section 14.04 shall apply in all events.

The Authority or the City may at any time surrender to the Trustee for cancellation by it any Bonds previously issued and delivered, which the Authority or the City may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Section 14.03. Deposit of Money or Securities with Trustee. Whenever in this Trust Agreement it is provided or permitted that there be deposited with or held in trust by the Trustee money (which must be Available Moneys) or securities (which must be purchased with Available Moneys) in the amount necessary to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds established pursuant to this Trust Agreement and shall be:

(i) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as provided in Article III or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount of such Bonds and all unpaid interest thereon to the redemption date, together with the redemption premium, if any; or

(ii) Permitted Investments meeting the requirements of paragraph (A)(ii) or (iii) of the definition thereof, the principal of and interest on which when due will provide

money sufficient to pay the principal of, and premium, if any, and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal, and premium, if any, and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article III provided or provision satisfactory to the Trustee shall have been made for the giving of such notice;

provided, in each case, that the Trustee shall have been irrevocably instructed (by the terms of this Trust Agreement or by Written Request of the Authority) to apply such money to the payment of such principal, and premium, if any, and interest with respect to such Bonds and provided, further, that the Authority and the Trustee shall have received a verification report of a firm of certified public accountants or other financial services firm acceptable to the Authority verifying that the money or securities so deposited together with earnings thereon will be sufficient to make all payments of principal of and premium, if any, and interest on the Bonds to be discharged to and including the earlier of their respective maturity dates or the date they are to be redeemed, and in the event that the Bonds are not then in the Fixed Rate Mode, written evidence that such defeasance will not result in a withdrawal or reduction of the S&P or Fitch rating on the Bonds.

Section 14.04. Payment of Bonds after Discharge of Trust Agreement. Notwithstanding any provision of this Trust Agreement, and subject to applicable escheat laws, any moneys held by the Trustee in trust for the payment of the principal of or premium, if any, or interest on any Bonds and remaining unclaimed for two (2) years after the principal of all the Outstanding Bonds has become due and payable (whether at maturity or upon call for redemption or by declaration as provided in this Trust Agreement), if such moneys were so held at such date, or two (2) years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall be repaid by the Trustee and to the City free from the trusts created by this Trust Agreement, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided that before the payment of such moneys to the City as aforesaid, the Trustee shall (at the written direction and expense of the Authority) first mail to the Owners of Bonds which have not yet been paid, at the addresses shown on the registration books maintained by the Trustee, a notice, in such form as may be deemed appropriate by the Trustee, with respect to the Bonds so payable and not presented and with respect to the provisions relating to the payment to the City of the moneys held for the payment thereof.

ARTICLE XV

MISCELLANEOUS

Section 15.01. Liability of Authority Limited to Revenues. Notwithstanding anything in this Trust Agreement or in the Bonds contained, the Authority shall not be required to advance any moneys derived from any source other than the Revenues and other assets pledged under this Trust Agreement for any of the purposes in this Trust Agreement mentioned, whether for the payment of the principal or Redemption Price of or interest on the Bonds or for any other purpose of this Trust Agreement. Nevertheless, the Authority may, but shall not be required to,

advance for any of the purposes hereof any funds of the Authority which may be made available to it for such purposes.

Section 15.02. Successor Is Deemed Included in all References to Predecessor. Whenever in this Trust Agreement either the Authority or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Trust Agreement contained by or on behalf of the Authority or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 15.03. Limitation of Rights to Parties and Bondholders. Nothing in this Trust Agreement or in the Bonds expressed or implied is intended or shall be construed to give to any person other than the Authority, the Trustee, the City, the Liquidity Bank and the Owners of the Bonds any legal or equitable right, remedy or claim under or in respect of this Trust Agreement or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Trustee, the City, the Liquidity Bank, and the Owners of the Bonds.

Section 15.04. Waiver of Notice. Whenever in this Trust Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 15.05. Destruction of Bonds. Whenever in this Trust Agreement provision is made for the cancellation by the Trustee of any Bonds, the Trustee shall, in lieu of such cancellation, destroy such Bonds and at the request of the Authority deliver a certificate of such destruction to the Authority.

Section 15.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this Trust Agreement or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Trust Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Trust Agreement, and this Trust Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into this Trust Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Trust Agreement may be held illegal, invalid or unenforceable.

Section 15.07. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given (i) if hand delivered, when delivered to the appropriate notice address, (ii) if mailed by first-class mail, postage prepaid, three Business Days after deposit in the United States mail addressed to the appropriate notice address or (iii) if delivered by courier providing receipt of delivery, when delivered to the appropriate notice address. The parties listed below may, by notice given hereunder, designate any further or

different addresses to which subsequent notices, certificates or other communications shall be sent. Any notice required or permitted hereunder shall be directed to the following notice address:

To the Authority: Pasadena Public Financing Authority
100 North Garfield Avenue, Room 345
Pasadena, California 91109
Attention: Treasurer
Facsimile: (626) 744-4350
Telephone: (626) 744-4309

To the City: City of Pasadena
100 North Garfield, Room 345
Pasadena, California 91109
Attention: Director of Finance
Facsimile: (626) 744-4350
Telephone: (626) 744-4309

To the Trustee or Tender Agent: Wells Fargo Bank, National Association
Corporate Trust Services
E2818-176 MAC
707 Wilshire Boulevard, 17th Floor
Los Angeles, California 90017
Attention: Corporate Trust Services
Facsimile: (213) 614-3355
Telephone: (213) 614-3350

To the Liquidity Bank: KBC Bank N.V., New York Branch
125 West 55th Street
New York, New York 10019
Attention: Loan Administration
Facsimile: (212) 456-5580
Telephone: (212) 541-0600

Or in the event of a Request
for Purchase to the Liquidity
Bank, to:

KBC Bank, N.V.
515 South Figueroa Street
Los Angeles, California 90071
Attention: John Castanon
Facsimile: (213) 996-7528
Telephone: (213) 996-7528

To the Remarketing Agent:

Merrill, Lynch, Pierce, Fenner & Smith
Incorporated
Merrill Lynch World Headquarters
4 World Financial Center
Ninth Floor
New York, New York 10080
Attention: Municipal Money Markets Desk
Facsimile: (212) 449-6640
Telephone: (212) 449-5101

To S&P:

Standard & Poor's Corporation
55 Water Street
38th Floor
New York, NY 10041
Attention: Municipal Structured Surveillance
Facsimile: (212) 438-2152
Telephone: (212) 438-2000

To Fitch:

Fitch Ratings
One State Street Plaza, 28th Floor
New York, NY 10004
Attention: Public Finance Department
Facsimile: (212) 480-4421
Telephone: (800) 753-4824

Section 15.08. Notice to Rating Agencies. The Trustee shall give to S&P and Fitch notice of any amendment to this Trust Agreement, the Lease or the Standby Bond Purchase Agreement or the termination, expiration, extension or substitution of the Standby Bond Purchase Agreement or any Alternate Liquidity Facility, notice of any redemption of the Bonds, notice of conversion of the Bonds to a Fixed Rate and notice of any successor Trustee, Tender Agent or Remarketing Agent. Notwithstanding the foregoing, it is expressly understood and agreed that failure to provide any such notice to S&P or Fitch or any defect therein will not (i)

constitute an Event of Default hereunder or (ii) affect the validity of any action with respect to which notice is to be given or the effectiveness of any such action.

Section 15.09. Evidence of Rights of Bondholders. Any request, consent or other instrument required or permitted by this Trust Agreement to be signed and executed by Bondholders may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bondholders in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any person of Bonds transferable by delivery, shall be sufficient for any purpose of this Trust Agreement and shall be conclusive in favor of the Trustee and of the Authority if made in the manner provided in this Section.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of Bonds shall be proved by the Bond registration books held by the Trustee.

Any request, consent, or other instrument or writing of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Authority in accordance therewith or reliance thereon.

Section 15.10. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Trust Agreement, Bonds which are owned or held by or for the account of the Authority or the City or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the City shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Upon request of the Trustee, the City or the Authority shall designate to the Trustee those Bonds disqualified pursuant to this Section.

Section 15.11. Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of Section 14.04.

Section 15.12. Funds and Accounts. The Trustee may establish such funds and accounts as it deems necessary and prudent to perform its obligations hereunder. Any fund required or permitted by this Trust Agreement to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or

statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds shall at all times be maintained in accordance with customary standards of the industry, to the extent practicable, and with due regard for the requirements of this Trust Agreement and for the protection of the security of the Bonds and the rights of every Owner thereof.

Section 15.13. Waiver of Personal Liability. No member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the principal of or premium, if any, or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this Trust Agreement.

Section 15.14. Execution in Several Counterparts. This Trust Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 15.15. Governing Law; Venue. This Trust Agreement and the Bonds are contracts made under the laws of the State of California, and shall be governed by and construed in accordance with the Constitution and the laws applicable to contracts made and performed in said State.

Section 15.16. Business Days. Except as herein provided, if any date specified herein shall not be a Business Day, any action required on such date may be made on the next succeeding Business Day with the same effect as if made on such date.

IN WITNESS WHEREOF, the PASADENA PUBLIC FINANCING AUTHORITY has caused this Trust Agreement to be signed in its name by its Executive Director and WELLS FARGO BANK, NATIONAL ASSOCIATION, in token of its acceptance of the trusts created hereunder, has caused this Trust Agreement to be signed in its corporate name by one of its officers thereunto duly authorized, all as of the day and year first above written.

PASADENA PUBLIC FINANCING AUTHORITY

By: _____
Steven B. Mermell
Treasurer

ATTEST:

By: _____
Mark Jomsky, CMC
Secretary

APPROVED AS TO FORM:

General Counsel

By: _____
Michele Beal Bagneris
General Counsel

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee

By: _____
Authorized Representative

EXHIBIT A
[FORM OF BOND]

R- \$ _____

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

MATURITY DATE:

DATED DATE:

CUSIP:

INTEREST RATE: Bonds will bear interest at the rates determined in accordance with Article II of the Trust Agreement.

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The Pasadena Public Financing Authority, a joint exercise of powers authority established pursuant to the laws of the State of California (the "Authority"), for value received, hereby promises to pay (but only out of Revenues and other amounts pledged therefor as hereinafter provided) to the Registered Owner identified above, or registered assigns, on the Maturity Date specified above (subject to any right of prior redemption hereinafter mentioned), the Principal Amount specified above, in lawful money of the United States of America and to pay interest thereon in like money from the date hereof until payment of such principal sum shall be discharged as provided in the Trust Agreement hereinafter mentioned, at the rates per annum determined as set forth below, payable on each Interest Payment Date (as defined below).

Amounts due hereunder in respect of principal and premium, if any, are payable in lawful money of the United States of America upon surrender of this Bond at the principal corporate trust office of Wells Fargo Bank, National Association, as trustee (the "Trustee"), in Los Angeles, California or any other office designated by the Trustee in writing from time to time (or any successors thereto). Amounts representing interest are payable by check or wire transfer as described below.

This Bond is one of a duly authorized issue of bonds of the Authority designated as the "Pasadena Public Financing Authority Taxable Variable Rate Demand Lease Revenue Refunding Bonds (Paseo Colorado Parking Facilities), Series 2008" (the "Bonds"), in the aggregate principal amount of \$ _____, issued pursuant to the provisions of the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of Chapter 5 (commencing with Section 6584) of Division 7 of Title 1 of the Government Code of the State of California (the "Bond Law"), and pursuant to a Trust Agreement, dated as of September 1, 2008, by and

between the Authority and the Trustee (as it may be supplemented, modified or amended by any supplemental trust agreement, herein called the "Trust Agreement").

Reference is hereby made to the Trust Agreement (a copy of which is on file at said office of the Trustee) for a description of the rights thereunder of the registered owners of the Bonds, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and of the rights and obligations of the Authority thereunder, to all of the provisions of which Trust Agreement and supplemental trust agreements the registered owner of this Bond, by acceptance hereof, assents and agrees. Capitalized terms used herein not otherwise defined shall have the meaning ascribed thereto in the Trust Agreement.

The Bonds are special limited obligations of the Authority and are secured by a pledge and assignment of Revenues (as that term is defined in the Trust Agreement) and of amounts held in the funds and accounts established pursuant to the Trust Agreement, subject only to the provisions of the Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth in the Trust Agreement.

This Bond may operate in either the Weekly Mode or the Fixed Rate Mode. The Modes have different operating features, including different demand features, purchase features, redemption provisions, interest rate determination dates, rate change dates and interest payment dates.

Prior to the date of conversion (the "Fixed Rate Date") of the interest rate on the Bonds to a rate fixed to maturity (the "Fixed Rate"), the Bonds (except Bank Bonds) shall bear interest at the lesser of (a) 12%, (b) the maximum rate permitted by law, and (c) a Weekly Rate determined as provided in the Trust Agreement. 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.

Interest on the Bonds shall be payable on each Interest Payment Date (as hereinafter defined), on any redemption date, and on any purchase date pursuant to optional or mandatory tender. "Interest Payment Date" means (i) with respect to Bonds in a Weekly Mode, the first Business Day of each month; (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; and (iv) with respect to all Bonds, the maturity date thereof.

"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. Any interest not 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 of which Special Record Date shall be given to the owner of this Bond not less than 10 days prior thereto.

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 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 a 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.

While interest on the Bonds is payable at a Weekly Rate, the Weekly Rate for each Weekly Rate Period will be determined by Merrill Lynch, Pierce, Fenner & Smith Incorporated, as the initial Remarketing Agent, or its successor or successors in such capacity (the "Remarketing Agent"), by 10:00 a.m., New York City time, on Thursday of each week during a Weekly Rate Period, or if such day is not a Business Day, then on the next preceding Business Day. The Rate Determination Dates, the date on which the rate of interest on the Bonds becomes effective for each Weekly Rate Period and the duration of the Weekly Rate Period for the Bonds are described in the Trust Agreement.

During each Weekly Rate Period, the rate of interest payable on the Bonds shall be that rate that, in the judgment of the Remarketing Agent, if payable on the Bonds on the date of such determination under prevailing market conditions, would result in the market value of the Bonds being equal to 100% of the principal amount thereof, plus accrued interest thereon, if applicable.

The Trust Agreement provides that the Authority has the right to convert the interest rate payable on the Bonds to the Fixed Rate. This Bond shall be subject to mandatory tender for purchase on the Fixed Rate Date (or the Proposed Fixed Rate Date when the conditions for conversion to a Fixed Rate are not satisfied). After the Fixed Rate Date, the owner of this Bond shall have no right to tender this Bond for purchase.

While interest on this Bond is payable at a Weekly Rate, the registered owner of this Bond has the right to tender this Bond, by providing notice of tender (a) to Wells Fargo Bank, National Association, as tender agent (the "Tender Agent") and (b) to the Remarketing Agent, in the manner specified in the Trust Agreement, for purchase at the principal amount hereof plus accrued interest, on any Business Day upon at least seven calendar days' written notice, for purchase on the date specified in such notice for such purchase. Any notice delivered to the Tender Agent after 4:00 p.m., New York City time, shall be deemed to have been received on the next succeeding Business Day.

The Trust Agreement provides that this Bond shall be subject to mandatory tender for purchase (i) upon the termination or expiration of the term of any Liquidity Facility, or (ii) such Liquidity Facility being reduced, replaced or modified with the effect that any Outstanding Bond (which is not a Bank Bond) shall no longer be subject to purchase under such Liquidity Facility, or (b) the Liquidity Bank notifying the Trustee of an event of default under the Liquidity Facility giving rise to a right on the part of the Liquidity Bank to direct a mandatory tender of the Bonds and directing the Trustee to effect a mandatory purchase of the Bonds. The Bonds shall be subject to mandatory tender for purchase on the last Business Day which is at least five (5) calendar days prior to any termination, expiration, reduction, replacement or modification of the Liquidity Facility, and on a Business Day not less than fifteen days nor more than thirty days after receipt by the Trustee from the Liquidity Bank of notice of an event of default under the Liquidity Facility and directing the Trustee to effect a mandatory purchase of the Bonds. The purchase price for such Bonds shall be equal to the principal amount thereof, plus accrued interest, if any. In the event that any Bondholder shall not surrender this Bond to the Tender Agent on the date of such purchase, then this Bond shall nevertheless be deemed to have been purchased and no interest shall accrue on this Bond on and after such date and the Bondholder hereof shall have no rights under Trust Agreement other than the right to receive payment of the purchase price for this Bond.

Notwithstanding anything to the contrary in this Bond, in the event that in connection with any reduction, replacement or modification of the terms of the Liquidity Facility, the Authority shall deliver to the Trustee, the Tender Agent and the Remarketing Agent, on or prior to the date that notice of such reduction, modification or replacement is given by the Trustee as provided in the Trust Agreement, written evidence from S&P and Fitch, to the effect that such reduction modification or replacement, as the case may be, in and of itself, will not result in the withdrawal or reduction of the rating(s) then applicable to the Bonds, then the Bonds shall not be subject to mandatory tender for purchase as a result of such reduction, modification or replacement.

Interest payable on any Bond shall cease to accrue (i) on the maturity date thereof, provided that there has been irrevocably deposited with the Trustee 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 an amount sufficient to pay the Redemption Price thereof. The owner of such Bond shall not be entitled to any other payment for such Bond, and such Bond shall no longer be outstanding and entitled to the benefits of the Trust Agreement, except for such payment from moneys held by the Trustee for such payment.

All computations of interest shall be based on 365- or 366-day years, as applicable, for the actual number of days elapsed, except for interest payable at a Fixed Rate, which shall be computed on the basis of 360-day years consisting of twelve 30-day months.

While any Weekly Rate is in effect, the Bonds are subject to optional redemption prior to their stated maturity, as a whole or in part on any Business Day from any prepayments made by the City to the Trustee pursuant to the Lease, provided in each case that the amount of Bonds to be redeemed from the amount so prepaid and the redemption date shall be as specified by the

City, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, without premium.

After the Fixed Rate Date, the Bonds are subject to optional redemption prior to their stated maturity, as a whole or in part, on any Business Day, (from such maturities as are designated in writing by the Authority to the Trustee at the direction of the City) at such dates and upon such terms as shall be specified in a schedule to be delivered to the Trustee on or prior to the Fixed Rate Date.

The Bonds are also subject to redemption prior to their stated maturity, in part, from mandatory sinking fund payments on each June 1 from and after June 1, 2009, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, without premium.

The Bonds are also subject to redemption prior to their stated maturity, at the option of the Authority, as a whole or in part on any Business Day, from prepayments made by the City pursuant to the Lease from Net Proceeds of hazard insurance or condemnation proceeds received with respect to the Leased Premises, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, without premium.

Notice of any redemption, identifying among other things the Bonds or portions thereof to be redeemed, shall be given by the Trustee not less than 30 and not more than 60 days before the date fixed for redemption, except in the case of redemptions of the Bonds that bear interest at a Weekly Rate, in which case not less than 25 days or more than 45 days prior to the date fixed for redemption. Notice of redemption shall be given by first-class mail to each of the registered owners of Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee. Neither failure to receive any notice nor any defect in such notice shall affect the sufficiency of the proceedings for redemption.

If this Bond is called for redemption and payment is duly provided as specified in the Trust Agreement, interest shall cease to accrue hereon from and after the date fixed for redemption.

The Bonds are issuable only as fully registered Bonds, in Authorized Denominations. Subject to the limitations and upon payment of the charges, if any, provided in the Trust Agreement, Bonds may be exchanged, at the corporate trust office of the Trustee designated for such purpose, for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity.

This Bond is transferable by the registered owner hereof, in person or by his or her attorney duly authorized in writing, at said office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement and upon surrender and cancellation of this Bond.

The Authority and the Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary.

The Authority and the Trustee may amend the Trust Agreement for certain purposes without the consent of the registered owners of the Bonds but with the consent of the City. With the written consent of the City and the registered owners of not less than a majority in aggregate principal amount of the Bonds at the time outstanding, the Authority and the Trustee may amend the Trust Agreement; provided, however, that no such amendment shall (1) extend the fixed maturity of any Bonds or reduce the rate of interest thereon or extend the time of payment of interest, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof or (2) reduce the aforesaid percentage of registered owners of Bonds whose consent is required for the execution of supplemental trust agreements or extend the time of payment or permit the creation of any lien on the Revenues or the funds pledged in the Trust Agreement prior to or on a parity with the lien of the Trust Agreement or deprive the registered owners of the Bonds of the lien created by the Trust Agreement upon the Revenues or the funds pledged therein, without the consent of the City and the registered owners of all the Bonds then outstanding.

No member or officer of the Authority shall be individually or personally liable for the payment of this Bond or the interest hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

The Authority shall be obligated to pay the principal of, or the premium, if any, or the interest on the Bonds from the Revenues and other funds provided therefor in the Trust Agreement, and neither the faith and credit nor the taxing power of the Authority or the City is pledged to the payment of the principal of or the premium, if any, or the interest on the Bonds.

It is hereby certified that all of the conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of California and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

This Bond shall not be entitled to any benefit under the Trust Agreement, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Trustee.

IN WITNESS WHEREOF, the Pasadena Public Financing Authority has caused this Bond to be executed in its name and on its behalf by the facsimile signature of its Chairperson, and attested by its Secretary, all as of the Dated Date recited above.

PASADENA PUBLIC FINANCING AUTHORITY

By: _____
Chairperson

Countersigned:

By: _____
Secretary

[FORM OF TRUSTEE'S CERTIFICATE OF
AUTHENTICATION AND REGISTRATION]

This is one of the Bonds described in the within-mentioned Trust Agreement which has been authenticated and registered on the date set forth below.

Dated:

By: _____
Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED the undersigned do(es) hereby sell, assign and transfer unto

(Print or type name, address, taxpayer identification no. and zip code of assignee)

the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s)

attorney, to transfer the same on the books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature

NOTE: The signature to the assignment must correspond to the name as written on the face of this Bond in every particular, without any alteration or change whatsoever.

Signature Guaranteed By: _____

The signature to the assignment must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.