

(d) By 1:00 p.m. New York City time on each Rate Determination Date, the Remarketing Agent shall apply for and obtain CUSIP numbers for each Bond in the Unit Pricing Mode (which the Tender Agent will promptly assign pursuant to Section 4.15(a)(iv)) for which a Unit Pricing Rate, a Purchase Date and Interest Period have been determined on such date and notify the Remarketing Agent of such assignment by Electronic Means.

(e) By acceptance of any Bond during a Unit Pricing Mode, the Holder thereof shall be deemed to have agreed, during each Interest Period, to the Unit Pricing Rate (including the Alternate Rate, if applicable), Interest Period and Purchase Date then applicable thereto and to have further agreed to tender such Bond to the Tender Agent for purchase on the Purchase Date at the Purchase Price.

**Section 2.06 Determination of Interest Rates During the Daily Mode, the Weekly Mode and the R-FLOATs Mode.**

(a) Method of Determining Interest Rates. Interest on the Bonds in the Daily Mode, Weekly Mode or R-FLOATs Mode (except for rate borne by the Bonds upon initial issuance as set forth in Section 2.04 and except during any Non-Remarketing Period, in which case interest shall accrue at the Maximum Rate pursuant to subsection (f) of this Section 2.06) shall accrue at the rate of interest per annum determined by the Remarketing Agent on and as of the Rate Determination Date as the minimum rate of interest which, in the judgment of the Remarketing Agent under then existing market conditions, would result in the sale of such Bonds on the Rate Determination Date at a price equal to the Purchase Price. Such determination shall be conclusive and binding upon the City, the Authority, the Trustee, the Tender Agent, the Credit Provider, the Remarketing Agent and the Holders.

(b) Determination Time for Daily Rate. During the Daily Mode, the Remarketing Agent shall establish the Daily Rate by 10:00 a.m. New York City time on each Business Day. The Daily Rate for any day during the Daily Mode which is not a Business Day shall be the Daily Rate established on the immediately preceding Business Day. The Remarketing Agent shall make the Daily Rate available (i) after 10:00 a.m. New York City time on the Rate Determination Date by telephone to any Holder or the City, the Authority, the Trustee, the Tender Agent or the Credit Provider and (ii) by Electronic Means to the Trustee not later than the second Business Day after the Rate Determination Date.

(c) Determination Time for Weekly Rate. During the Weekly Mode, the Remarketing Agent shall establish the Weekly Rate by 10:00 a.m. New York City time on each Rate Determination Date. The Weekly Rate shall be in effect (1) initially, from and including the first day the Bonds become subject to the Weekly Mode to and including the following Tuesday and (2) thereafter, from and including each Wednesday to and including the following Tuesday. The Remarketing Agent shall make the Weekly Rate available (i) after 10:00 a.m. New York City time on the Rate Determination Date by telephone to any Holder or the City, the Authority, the Trustee, the Tender Agent or the Credit Provider and (ii) by Electronic Means to the Trustee not later than the second Business Day after the Rate Determination Date.

(d) Determination Time for R-FLOATs Rate. During the R-FLOATs Mode (except during a Special R-FLOATs Rate Period in which case interest shall accrue at the

R-FLOATs Rate determined pursuant to subsection (e) of this Section 2.06 and except during any Non-Remarketing Period in which case interest shall accrue at the Maximum Rate pursuant to subsection (f) of this Section 2.06), the Remarketing Agent shall establish the R-FLOATs Rate which shall be the lowest rate which in the opinion of the Remarketing Agent will result in the Bonds in the R-FLOATs Mode trading at par plus accrued interest by 10:00 a.m. New York City time on each Rate Determination Date. The R-FLOATs Rate shall be in effect during the applicable R-FLOATs Interest Period. The Remarketing Agent shall make the R-FLOATs Rate available (i) after 10:00 a.m. New York City time on the Rate Determination Date by telephone to any Holder and the Interested Parties and (ii) by Electronic Means to the Trustee not later than the second Business Day after the Rate Determination Date.

(e) Determination Method and Time for R-FLOATs Rate on a Special R-FLOATs Rate Period. In the event that Bonds are in a R-FLOATs Mode and are not rated A or higher by S&P and Fitch, respectively, then not later than 1:00 p.m. New York City time on the Business Day immediately preceding the next Interest Payment Date the Remarketing Agent shall establish the maximum period for a Special R-FLOATs Rate Period which maximum Special R-FLOATs Rate Period shall be made available after 1:00 p.m. New York City time on the Business Day immediately prior to the Rate Determination Date by posting it electronically via L.P.'s Bloomberg Professional System and by telephone to any Holder or Interested Party who contacts the Remarketing Agent. On the Rate Determination Date the Remarketing Agent shall not later than 10:00 a.m. New York City time select a Special R-FLOATs Rate Period which shall be the shortest period, but in no event longer than the maximum Special R-FLOATs Rate Period previously announced, and a R-FLOATs Rate which shall be the lowest rate which in the judgment of the Remarketing Agent would result in the Bonds trading at par plus accrued interest. The Remarketing Agent shall make the R-FLOATs Rate and Special R-FLOATs Rate Period available (i) after 10:00 a.m. New York City time on the Rate Determination Date by telephone to any Holder and any Interested Parties which contact the Remarketing Agent and (ii) by Electronic Means to the Trustee not later than the second Business Day following the Rate Determination Date. In the event the Remarketing Agent is unable to set a Special R-FLOATs Rate Period and R-FLOATs Rate which will produce a sale of the Bonds at par plus accrued interest, the Bonds in the R-FLOATs Mode will bear interest at the Maximum Rate as determined pursuant to Subsection (f) of this Section 2.06. In addition the Authority may elect to have the Bonds changed into a Special R-FLOATs Rate Period having a duration of its choosing by giving at least ten days notice to the Trustee and the Tender Agent. Notice of such Special R-FLOATs Rate Period shall be given in the same manner as the notice of the maximum Special R-FLOATs Rate Period set forth above. On the effective date of such optional change to a Special R-FLOATs Rate Period of more than 35 days the affected Bonds shall be subject to mandatory purchase pursuant to Section 4.08 hereof.

(f) Determination of R-FLOATs Non-Remarketing Period and Rate. (i) If any Bond in the R-FLOATs Mode is optionally tendered for purchase pursuant to Section 4.06 or is subject to mandatory purchase pursuant to Section 4.08 or Section 4.10 and either (a) the Remarketing Agent, after using its reasonable best efforts, is unable to remarket such Bond at the Purchase Price by 2:00 p.m. New York City time on the Purchase Date or Mandatory Purchase Date (whether such inability is due to market conditions or otherwise) or (b) such Bond is returned to the Holder thereof pursuant to Section 4.13(c), then, from such Purchase Date or Mandatory Purchase Date until the date on which all Bonds that have been tendered or are

subject to mandatory tender are successfully remarketed at the Purchase Price (the "Non-Remarketing Period"), all Bonds shall bear interest for a new Interest Period which shall be the same as the Interest Period just concluding unless such Interest Period was a Special R-FLOATs Rate Period in which case for a weekly R-FLOATs Rate Period and shall bear interest at the Maximum Rate. Following the Non-Remarketing Period, all Bonds shall (unless changed to a different Mode) bear interest at a rate per annum determined pursuant to subsection (d) or (e) of this Section 2.06.

(ii) During the Non-Remarketing Period, the Remarketing Agent shall continue to use its best efforts each Business Day to remarket the Bonds in the R-FLOATs Mode at the Purchase Price applicable to such Bond. In connection therewith, the Remarketing Agent may consider the day on which such Bonds are successfully remarketed at the Purchase Price to be a Rate Determination Date for such Bonds in the R-FLOATs Mode.

**Section 2.07 Determination of Indexed Rates; Determination of Bank Index Interest Rates.** (a) At the option of the City and with the consent of the Credit Provider, the Bonds may be converted to bear interest at the Indexed Rate to the final Maturity Date of the Bonds. The City shall select the index on which the Indexed Rate shall be based not less than five Business Days prior to the Rate Determination Date. Such index may be the Consumer Price Index, LIBOR, BMA Swap Index or any other index which the City in consultation with the Remarketing Agent deems appropriate. The Remarketing Agent shall determine the percentage to be used in calculating the Indexed Rate not later than 4:00 p.m. New York City time on the Rate Determination Date. The percentage shall be the lowest percent which when multiplied by the index, in the reasonable judgment of the Remarketing Agent and the written consent of the City, the Remarketing Agent determines will result in selling the Bonds at a price equal to the Purchase Price on the Rate Determination Date. At the time the Remarketing Agent determines the percentage by which the index is multiplied, the Remarketing Agent shall also determine the interest rate for the initial Interest Payment Period from the Mode Change Date to the first Interest Payment Date in the Indexed Mode, the frequency with which the Indexed Rate shall be recalculated, the Interest Payment Periods and the Interest Payment Dates. The Remarketing Agent shall make such information available by Electronic Means to any Holder requesting such information or to the City, the Authority, the Trustee or the Tender Agent. Upon request of any Holder, the City, the Authority, the Trustee or the Tender Agent shall give notice of such information by Electronic Means. On each date on which the Indexed Rate is recalculated, the Tender Agent shall give notice of such rate by Electronic means upon request from any Holder, the City, the Authority, the Trustee or the Credit Provider. Such determination shall be conclusive and binding upon the City, the Authority, the Trustee, the Tender Agent, the Credit Provider, the Remarketing Agent and the Holders.

(b) *Bank Index Interest Rates.*

(i) During each Bank Index Interest Rate Period, the Bonds shall, subject to Section 2.07(b)(v) hereof, bear interest at the Bank Index Interest Rate. The Calculation Agent shall determine the Bank Index Interest Rate on each Rate Determination Date during the Bank Index Interest Rate Period, and such rate shall become effective on the

Bank Index Interest Rate Reset Date next succeeding such Rate Determination Date, commencing on and including the first day of the related Interest Period to and including the last day of such Interest Period. The Bank Index Interest Rate shall be rounded upward to the third decimal place. **[USE IF A STUB RATE APPLIES: The Bank Index Interest Rate for the period commencing on and including the Bank Index Interest Rate Conversion Date until but excluding the first day of the next succeeding Interest Period shall be equal to \_\_\_\_%.]**

(ii) The Initial Bank Index Interest Rate Period shall commence on the Remarketing Date and shall extend to but not include the Initial Bank Purchase Date, Each subsequent Bank Index Interest Rate Period shall commence on the last day of the immediately preceding Bank Index Interest Rate Period (or such other date as designated by the City and the Purchaser) or a Bank Index Interest Rate Conversion Date for a series of Bonds thereafter being converted to the Bank Index Interest Rate and shall extend to but not include the earlier of the next succeeding Bank Purchase Date or the maturity date of the Bonds of that series.

(iii) If the City elects to establish a Bank Index Interest Rate Period, the City shall notify the Trustee, the Remarketing Agent and the Calculation Agent in writing, not later than the 20<sup>th</sup> day before the commencement of such Bank Index Interest Rate Period, of such an election, and such notice shall also provide the date the Bank Index Interest Rate Period shall begin and the Bank Purchase Date applicable to such subsequent Bank Index Interest Rate Period.

(iv) *Notice of Rates and Deemed Conversions.* Promptly following the determination of any Bank Index Interest Rate, the Calculation Agent shall give notice thereof to the Trustee, the City, the Authority and any Holder may obtain any Bank Index Interest Rate on or after the applicable Rate Determination Date upon request to the Calculation Agent.

(v) *Determination of Rate Conclusive.* The determination of any Bank Index Interest Rate by the Calculation Agent shall be conclusive and binding upon the City, the Authority, the Trustee and the Holders absent manifest error.

(vi) *No Liability.* In determining the interest rate or rates that the Bonds shall bear as provided in this Section 2.7(b), the Calculation Agent shall not have any liability to the City, the Authority, the Trustee, or any Holder except for its gross negligence or willful misconduct.

(vii) *Interest on Unremarketed Bonds.* Notwithstanding any other provision of this Indenture, each Unremarketed Bond shall bear interest for each day it is an Unremarketed Bond at a rate per annum equal to the Purchaser Rate for such day.

(viii) *Adjustments to Index Interest Rates.* From and after any Taxable Date, the interest rate on Bonds in a Bank Index Interest Rate Period shall be established at a rate at all times equal to the Taxable Rate.

(ix) Notwithstanding the foregoing but subject to the interest rate limitations of Section 2.03(a), from and after the occurrence and during continuation of an Event of Default (without regard to whether the Majority Holder has exercised remedies hereunder or under the Bond Purchase Agreement), the interest rate for Bonds bearing interest at a Bank Index Interest Rate and for Unremarketed Bonds shall be equal the Default Rate. In such case, there shall be no Applicable Spread.

(x) Before any Bank Purchase Date, the Purchaser may propose an adjustment to the Applicable Spread or the Applicable Factor. If the Purchaser proposes any adjustment to the Applicable Spread or the Applicable Factor, then the Purchaser will deliver a certificate to the Trustee and the City at least 120 days before the related Bank Purchase Date stating the new Applicable Spread or the new Applicable Factor and whether any such new Applicable Spread will be added to or subtracted from the LIBOR Index. Such new Applicable Spread or new Applicable Factor will take effect on the Bank Purchase Date immediately following the proposal by the Purchaser if the City delivers written notice to the Trustee, the Calculation Agent and the Purchaser stating that each of the City and the Authority agrees to the adjustment to the Applicable Spread or the Applicable Factor, as appropriate, along with resolutions of the Authority and the City evidencing its approval of the adjustment, at least 90 days before the related Bank Purchase Date. If the City and the Authority do not deliver this written notice, there shall be no adjustment to the Applicable Spread or the Applicable Factor, as appropriate and the Bonds shall be subject to mandatory tender on the Bank Purchase Date. No adjustment to the Applicable Spread or the Applicable Factor shall be permitted unless the Authority, the City and the Trustee shall have also received a Favorable Opinion of Bond Counsel. After each Bank Purchase Date, if the Applicable Spread or the Applicable Factor has been adjusted pursuant to this subparagraph, the Calculation Agent shall use the new Applicable Spread or the new Applicable Factor, as appropriate, to determine the Bank Index Interest Rate.

**Section 2.08** Determination of Stepped Coupon Rate. At the option of the City with the consent of Credit Provider, the Bonds may be converted to bear interest at the Stepped Coupon Rate to the final Maturity Date of the Bonds. Not later than 4:00 p.m. New York City time, the Remarketing Agent shall divide the period remaining to the final Maturity Date into such number of periods as it shall determine in consultation with the City (each a "Stepped Coupon Period") and shall determine an interest rate for each Stepped Coupon Period. The Stepped Coupon Rate for each Stepped Coupon Period shall be the lowest rate which in the aggregate the Remarketing Agent determines will result in a sale of the Bonds at a price equal to the Purchase Price at the lowest net interest cost from the Mode Change Date to the Stepped Coupon Mode to the final Maturity Date of such Bonds. The Remarketing Agent shall also determine the Interest Payment Dates and the Interest Periods applicable during the Stepped Coupon Mode, provided, however, that the day following each Stepped Coupon Period or the next Business Day if such day is not a Business Day shall be an interest Payment Date.

If the Remarketing Agent determines that the Bonds would bear a lower effective net interest cost if such Bonds were serial bonds or serial bonds and term bonds with the maturity (or Mandatory Sinking Account Payment) dates and principal amounts matching the Mandatory

Sinking Account Payments, the Bonds shall become serial bonds or serial bonds and term bonds with such maturity (or Mandatory Sinking Account Payment) dates and principal amounts.

The Remarketing Agent shall make the Stepped Coupon Periods and Stepped Coupon Rates available by Electronic Means to any Holder or to the City, the Authority, the Trustee or the Tender Agent. Upon request of any Holder, the City, the Authority, the Trustee or the Credit Provider, the Tender Agent shall give notice of such rates by Electronic Means. Such determination shall be conclusive and binding upon the City, the Authority, the Trustee, the Tender Agent, the Credit Provider, the Remarketing Agent and the Holders.

**Determination of Term Rates.**

(a) Method of Determining Term Rate, Interest Period and Purchase Date During Term Rate Mode. The Term Rate shall be the minimum rate which, in the judgment of the Remarketing Agent, will result in a sale of the Bonds at a price equal to the Purchase Price on the Rate Determination Date for the Interest Period selected by the City. The Remarketing Agent shall also determine the Purchase Date as the day following the last day of the Interest Period so selected by the City. If a new Interest Period is not selected by the City prior to the Business Day next preceding the Purchase Date for the Interest Period then in effect, the new Interest Period shall be the same length as the current Interest Period.

(b) Determination Time for Term Rates. Except as provided in Section 2.09(c), once Bonds are changed to the Term Rate Mode, such Bonds shall continue in the Term Rate Mode until changed to another Mode in accordance with Section 2.13. The Term Rate shall be determined by the Remarketing Agent not later than 4:00 p.m. New York City time on the Rate Determination Date. After 4:00 p.m. New York City time, the Remarketing Agent shall make the Term Rate available by telephone or Electronic Means to any Holder, the City, the Authority, the Trustee, the Tender Agent, or the Credit Provider.

(c) Default to Unit Pricing Mode. If, for any reason, a new Term Rate cannot be established, the Bonds will be changed automatically to the Unit Pricing Mode on the Purchase Date for Interest Period(s) determined by the Remarketing Agent on such Purchase Date.

(d) Determination of Fixed Rate. At the option of the City and with the consent of Credit Provider, the Bonds may be converted to bear interest at the Fixed Rate to the final Maturity Date of the Bonds unless on the date the Remarketing Agent determines the Fixed Rate, the Remarketing Agent also determines that the Bonds would bear a lower effective net interest cost if such Bonds were serial bonds or serial bonds and term bonds with the maturity (or Mandatory Sinking Account Payment) dates and principal amounts matching the Mandatory Sinking Account Payments, in which event the Bonds shall become serial bonds or serial bonds and term bonds with such maturity (or Mandatory Sinking Account Payment) dates and principal amounts and shall bear separate Fixed Rates for each maturity. The Remarketing Agent shall determine the Fixed Rate not later than 4:00 p.m. New York City time on the Rate Determination Date. The Fixed Rate shall be the minimum interest rate which, in the judgment of the Remarketing Agent, will result in a sale of the Bonds at a price equal to the Purchase Price on the

Rate Determination Date unless in the judgment of the Remarketing Agent and with the written consent of the City, the Remarketing Agent determines that the lowest yield will result by selling the Bonds at a price equal to the Purchase Price (plus any original issue premium or less any original issue discount) on the Rate Determination Date. In the case of Bonds to be sold at a discount, a Credit Facility is in effect with respect to such Bonds and provides for the purchase of such Bonds at such discount. In the case of Bonds sold at a premium, the premium shall be transferred to the City on the date of change to the Fixed Rate Mode. The Remarketing Agent shall make the Fixed Rate available by telephone to any Holder, the City, the Authority, the Trustee or the Tender Agent. Upon request of any Holder, the City, the Authority, the Trustee or the Credit Provider, the Tender Agent shall give notice of such rate by Electronic Means. Such determination shall be conclusive and binding upon the City, the Authority, the Trustee, the Tender Agent, the Credit Provider, the Remarketing Agent and the Holders.

**Section 2.09 Alternate Rate for Interest Calculation.** In the case of Bonds other than Auction Rate Securities, Fixed Rate Bonds and Bonds bearing interest at a Bank Index Interest Rate, if (a) the Remarketing Agent fails or is unable to determine the interest rate(s) or Interest Periods with respect to the Bonds (except as provided in Sections 2.06(f) and 2.09(c)), or (b) the method of determining the interest rate(s) or Interest Periods with respect to such Bonds shall be held to be unenforceable by a court of law of competent jurisdiction, the Bonds shall thereupon, until such time as the Remarketing Agent again makes such determination or until there is delivered an Opinion of Counsel to the effect that the method of determining such rate is enforceable, represent interest from the last date on which such rate was determined in the case of clause (a) and from the date on which interest was legally paid in the case of clause (b), at the Alternate Rate for the Mode in effect. If either of the circumstances described in clauses (a) and (b) occurs on a Rate Determination Date for the Unit Pricing Mode, the relevant Interest Period shall be from and including such Rate Determination Date to, but not including, the next succeeding Business Day, and thereafter shall commence on a Business Day and extend to, but shall not include, the next Business Day. Notwithstanding clause (a) of the first sentence of this Section 2.11, if the Bonds are in a R-FLOATS Mode for an Interest Period of 35 days or less, the new R-FLOATs Interest Period shall be the same as the preceding Interest Period and the new R-FLOATs Rate shall be the same as the preceding R-FLOATs Rate, and, if the Bonds are in a Special R-FLOATs Rate Period of greater than 35 days, the new R-FLOATs Interest Period shall be a weekly R-FLOATs Interest Period and the R-FLOATs Rate for the first Interest Period will be the same as the preceding R-FLOATs Rate.

**Section 2.10 Auction Mode.** The Auction Rate to be applicable to the Auction Rate Securities during each Auction Period shall be determined by the Auction Agent and notice thereof shall be given, all as provided in Exhibit A hereto. The Auction Rates determined in accordance with the Auction Procedures shall be conclusive and binding upon the Authority, the City, the Trustee, the Auction Agent, the Broker-Dealers, and the Holders.

**Section 2.11 Changes in Mode.** Subject to the provisions of this Section 2.13, the Authority, as directed by the City, may effect a change in Mode with respect to the Bonds other than Fixed Rate Bonds and Bonds in the Stepped Coupon Mode or the Indexed Rate Mode by following the procedures set forth in this Section. In addition, in the event the Bonds are in a R-FLOATS Mode and the ratings on the Bonds falls below A by either S&P or Fitch, the Authority

shall cause the Bonds to be changed from the R-FLOATs Mode to another Mode (other than the Auction Rate Mode).

(a) Changes to Modes Other Than Fixed Rate Mode. The Bonds (other than Bonds in the Fixed Rate Mode, the Stepped Coupon Mode or the Indexed Rate Mode) may be changed from one Mode to another Mode as follows:

(i) *Mode Change Notice; Notice to Holders.* No later than the 5th Business Day preceding the proposed Mode Change Date, the Authority shall give written notice to the Trustee, the Tender Agent, if any, the Remarketing Agent, the Auction Agent, if any, the Broker-Dealer if any, and the Credit Provider of its intention to effect a change in the Mode from the Mode then prevailing (the "Current Mode") to another Mode (the "New Mode") specified in such written notice, and, if the change is to a Term Rate Mode, the length of the initial Interest Period. Notice of the proposed change in Mode shall be given to the Holders of the Bonds pursuant to Section 4.08.

(ii) *Determination of Interest Rates.* The New Mode shall commence on the Mode Change Date and the interest rate(s) with respect to the Bonds (together, in the case of a change to the Unit Pricing Mode, with the Interest Period(s) and Purchase Date(s)) shall be determined by the Remarketing Agent in the manner provided in Sections 2.04, 2.05, 2.06, 2.07, 2.08, 2.09, 2.10, and 2.11, as applicable, or, in the case of Auction Rate Securities, by the Auction Agent as provided in Section 2.12.

(iii) *Conditions Precedent.* In order to effect a change in Mode, the following conditions must be satisfied:

(1) The Mode Change Date shall be a Business Day.

(2) Additionally, the Mode Change Date in the case of a change:

(A) from the Term Rate Mode, shall be the Purchase Date for the current Interest Period, and

(B) from the Unit Pricing Mode, shall be a day which is the last Purchase Date for all Interest Periods for the Bonds set by the Remarketing Agent;

(3) The Trustee, the Tender Agent, if any, the Auction Agent, if any, the Credit Provider and the Remarketing Agent shall have received on the Mode Change Date a Favorable Opinion of Bond Counsel dated the Mode Change Date and addressed to the Trustee, the Tender Agent, if any, the Auction Agent, if any, the Credit Provider and the Remarketing Agent.

(4) If the Current Mode is the Unit Pricing Mode, no Interest Period set after delivery by the City to the Remarketing Agent of the notice of the



intention to effect a change in Mode shall extend beyond the proposed Mode Change Date.

(5) If the New Mode is an Auction Mode, the City shall have appointed an Auction Agent and a Broker-Dealer.

(6) If the Current Mode is the Auction Mode, the City shall have appointed a Remarketing Agent and a Tender Agent.

(7) If the New Mode is a Bank Index Interest Rate Mode, the City shall have appointed a Calculation Agent and a Remarketing Agent shall have determined an Applicable Factor and Applicable Spread whereby the Bonds will be purchased at par.

(8) The Credit Provider shall have consented to the change in Mode.

(9) The Bonds are successfully remarketed in the new Mode on the Mode Change Date.

(10) If there shall be no Credit Facility in effect to provide funds for the purchase of the Bonds in the Current Mode on the Mode Change Date, the remarketing proceeds available on the Mode Change Date shall be not less than the amount required to purchase all of the Bonds at the Purchase Price (unless the City, in its sole discretion, elects to transfer to the Tender Agent the amount of such deficiency on or before the Mode Change Date).

(iv) *Failure to Satisfy Conditions Precedent to Mode Change.* If the foregoing conditions have not been satisfied by the Mode Change Date, the New Mode shall not take effect and (a) if the change was from a Unit Pricing Mode, the Bonds shall remain in the Unit Pricing Mode with interest rates with respect thereto and Interest Periods to be established in accordance with Section 2.05; (b) if the change was from an Auction Mode, the Bonds shall remain in the Auction Mode, shall automatically change to a seven-day Auction Period and shall bear interest at the Maximum Rate to the next Auction Date; (c) if the change was from a R-FLOATs Mode, the Bonds shall remain in the R-FLOATS Mode with interest rates established in accordance with Section 2.06(d) (e) or (f), (d) if the change was from a Weekly Mode, the Bonds shall remain in the Weekly Mode with interest rates established in accordance with Section 2.06(c) and (e) otherwise, all Bonds shall be changed to a Daily Rate Mode.

(b) Change to Fixed Rate Mode. At the option of the Authority, as directed by the City, Bonds (other than Bonds in the Indexed Rate Mode and the Stepped Coupon Mode) may be changed to the Fixed Rate Mode as provided in this Section 2.13(b). Not less than 30 days (or such shorter time as may be agreed to by the Trustee, the Remarketing Agent if any and Auction Agent, if any) before the proposed Mode Change Date, the Authority shall give written notice to the Trustee, the Tender Agent, if any, the Remarketing Agent, the Auction Agent, if

any, the Broker-Dealer, if any, the Credit Provider, if any, and each Rating Agency then rating the Bonds stating that the Mode will be changed to the Fixed Rate Mode and setting forth the proposed Mode Change Date. Any such change in Mode shall be made as follows:

(i) *Conditions Precedent.* The Mode Change Date shall be:

(1) in the case of a change from the Unit Pricing Mode, a day which is the last Purchase Date for all Interest Periods for such Bonds set by the Remarketing Agent;

(2) a Business Day;

(3) the Credit Provider shall have consented to such change in Mode; and

(4) in the case of a change from the Term Rate Mode, the Purchase Date for the current Interest Period; and

(5) the Bonds are successfully remarketed in the new Mode on the Mode Change Date.

(ii) *Notice to Holders.* Not less than the 30th day next preceding the Mode Change Date, the Tender Agent shall mail, in the name of the Authority, a notice of such proposed change to the Holders of the Bonds stating that the Mode will be changed to the Fixed Rate Mode, the proposed Mode Change Date and that such Holder is required to tender such Holder's Bonds for purchase on such proposed Mode Change Date.

(iii) *Favorable Opinion of Bond Counsel.* The change to the Fixed Rate Mode shall not occur unless the Trustee, and the Remarketing Agent, if any, and the Auction Agent, if any, have received on the Mode Change Date, a Favorable Opinion of Bond Counsel dated the Mode Change Date and addressed to the Trustee, the Credit Provider, the Remarketing Agent, if any, and the Auction Agent, if any.

(iv) *Failure to Satisfy Conditions Precedent to Mode Change.* If the foregoing conditions have not been satisfied by the Mode Change Date, the New Mode shall not take effect and (a) if the change was from a Unit Pricing Mode, the Bonds shall remain in the Unit Pricing Mode with interest rates with respect thereto and Interest Periods to be established in accordance with Section 2.05; (b) if the change was from an Auction Mode, the Bonds shall remain in the Auction Mode, shall automatically change to a seven-day Auction Period and shall bear interest at the Maximum Rate to the next Auction Date; (c) if the change was from a R-FLOATs Mode, the Bonds shall remain in the R-FLOATS Mode with interest rates established in accordance with Section 2.06(d), (e) or (f), (d) if the change was from a Weekly Mode, the Bonds shall remain in the Weekly Mode with interest rates established in accordance with Section 2.06(c) and (e) otherwise, all Bonds shall be changed to a Daily Rate Mode.

**Section 2.12 Form of Bonds.** The Bonds and the form of assignment to appear thereon shall be initially in substantially the form as set forth in Exhibit B, with necessary or appropriate variations, omissions and insertions as permitted or required hereby. Upon any change in Mode, a new form of Bonds may be prepared which contains the terms of the Bonds applicable in the new Mode.

**Section 2.13 Execution of Bonds.** The Bonds shall be executed in the name and on behalf of the Authority with the manual or facsimile signature of its Chairperson or Vice Chairperson, and attested by the manual or facsimile signature of its Secretary. The Bonds shall then be delivered to the Trustee for 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 of the Authority 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, and also any Bonds may be signed and attested on behalf of the Authority by such persons as at the actual date of execution of such Bonds shall be the proper officers of the Authority although at the nominal date of such Bonds any such person shall not have been such officer of the Authority.

Only such of the Bonds as shall bear thereon a certificate of authentication substantially in the form set forth in Exhibit B, with the manual or facsimile signature of the Trustee as authenticating agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

**Section 2.14 Transfer of Bonds.** Subject to the provisions of Section 2.21, any Bond may, in accordance with its terms, be transferred, upon the bond registration books required to be kept pursuant to the provisions of Section 2.18, by the Person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such registered Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form approved by the Trustee.

Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds for a like aggregate principal amount. The Trustee shall require the Bondholder requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

The Trustee shall not transfer any Bond if the Trustee has received notice from the Remarketing Agent to the effect that the Remarketing Agent has received notice of tender of such Bond from the Holder of such Bond pursuant to Section 4.06.

The Trustee shall not be required to transfer any Bond selected for redemption or during the 15 days immediately preceding the date on which Bonds will be selected for redemption.

**Section 2.15 Exchange of Bonds.** Bonds may be exchanged at the Principal Corporate Trust Office, for a like aggregate principal amount of Bonds of other authorized denominations. The Trustee shall require the Bondholder requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange.

The Trustee shall not be required to exchange any Bond selected for redemption or during the 15 days immediately preceding the date on which Bonds will be selected for redemption.

**Section 2.16 Bond Register.** The Trustee will keep or cause to be kept sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection during regular business hours by the Authority, the Credit Provider and the City; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such books, Bonds as hereinbefore provided.

**Section 2.17 Temporary Bonds.** The Bonds may be issued in temporary form exchangeable for definitive Bonds when ready for delivery. Any temporary Bond may be printed, lithographed or typewritten, shall be of such denomination as may be determined by the Authority, shall be in fully registered form without coupons and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Authority and be 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 issue definitive Bonds as promptly thereafter as practicable, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Principal Corporate Trust Office, 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 Indenture as definitive Bonds authenticated and delivered hereunder.

**Section 2.18 Bonds Mutilated, Lost, Destroyed or Stolen.** If any Bond shall become mutilated, the Authority, at the expense of the Holder of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and number 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 shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Authority and 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 Holder, 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 be about to mature, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof). The Authority may require payment by the Holder of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses that may be incurred by the Authority and the Trustee in the premises. 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 Indenture with all other Bonds secured by this Indenture.

**Section 2.19 Use of Securities Depository.** Notwithstanding any provision of this Indenture to the contrary:

(a) The Bonds shall be initially issued as provided in Section 2.02. Registered ownership of the Bonds, or any portion thereof, may not thereafter be transferred except:

(i) To any successor of the Securities Depository or its nominee, or to any substitute depository designated pursuant to clause ii) of this subsection (a) (“substitute depository”); provided that any successor of the Securities Depository or substitute depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(ii) To any substitute depository designated by the Authority upon (a) the resignation of the Securities Depository or its successor (or any substitute depository or its successor) from its functions as depository or (b) a determination by the Authority that the Securities Depository or its successor (or any substitute depository 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

To any Person as provided below, upon (a) the resignation of the Securities Depository or its successor (or substitute depository or its successor) from its functions as depository; provided that no substitute depository can be obtained or (b) upon a determination by the Authority that it is in the best interests of the Authority to remove the Securities Depository or its successor (or any substitute depository or its successor) from its functions as depository.

(b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (A), upon receipt of the Outstanding Bonds by the Trustee, together with a Certificate of the Authority to the Trustee, a single new Bond shall be executed and delivered in the aggregate principal amount of the 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 Certificate of the Authority. In the case of any transfer pursuant to clause (iii) of subsection (a), upon receipt of the Outstanding Bonds by the Trustee together with a Certificate of the Authority to the Trustee, new Bonds shall be executed and delivered and registered in the names of such Persons as are requested in such a Certificate of the Authority, subject to the limitations of Section 2.02, provided the Trustee shall not be required to deliver such new Bonds within a period less than 60 days from the date of receipt of such a Certificate of the Authority.

(c) In the case of partial redemption or an advance refunding of the Bonds evidencing all or a portion of the principal amount Outstanding Bonds, the Securities Depository shall make an appropriate notation on the Bonds indicating the date and amounts of such reduction in principal, in form acceptable to the Trustee.

(d) The Authority and the Trustee shall be entitled to treat the Person in whose name any Bond is registered as the Bondholder thereof for all purposes of this Indenture and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the Authority; and the Authority and the Trustee shall have no responsibility for transmitting payments to, communicating with, notifying or otherwise dealing with any beneficial owners of the Bonds. Neither the Authority nor the Trustee will have any responsibility or obligations, legal or otherwise, to the beneficial owners or to any other party including the Securities Depository or its successor (or substitute depository or its successor), except to the Holder of any Bond.

(e) So long as the Outstanding Bonds are registered in the name of Cede & Co. or its registered assign, the Authority and the Trustee shall cooperate with Cede & Co., as sole registered Bondholder, and its registered assigns in effecting payment of the principal and Purchase Price of and premium, if any, and interest on the Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due, all as provided in the blanket Letter of Representations between the Trustee and the Securities Depository.

(f) Notwithstanding anything to the contrary contained in this Indenture, for so long as Cede & Co., as nominee of the Securities Depository is the sole registered owner of the Bonds, all tenders and deliveries of Bonds under the provisions of this Indenture shall be made pursuant to the Securities Depository's procedures as in effect from time to time and neither the Authority, the City, the Tender Agent nor the Trustee shall have any responsibility for or liability with respect to the implementation of such procedures.

### ARTICLE III

#### ISSUANCE OF BONDS; APPLICATION OF PROCEEDS

**Section 3.01 Issuance of the Bonds.** At any time after the execution of this Indenture, the Authority may execute and the Trustee shall authenticate and, upon Request of the Authority, deliver the Bonds in the aggregate principal amount of \$47,300,000.00.

**Section 3.02 Application of Proceeds of the Bonds.** The proceeds received from the sale of the Bonds shall be deposited in trust with the Trustee, who shall forthwith deposit such proceeds as follows:

(a) The Trustee shall deposit the sum of \$374,953.49 in the Costs of Issuance Fund.

(b) The Trustee shall deposit the sum of \$3,733,235.00 in the Bond Reserve Fund, which is an amount equal to the Bond Reserve Fund Requirement upon the issuance of the Bonds.

(c) The Trustee shall transfer to the Authority the sum of \$24,000,000.00 for deposit in the Project Fund, of which the Authority shall apply \$14,600,000 to the Rose Bowl Improvements and \$9,400,000 to the City Hall Improvements.

(d) The Trustee shall deposit the sum of \$19,025,257.62 in the Prior Letter of Credit Fund.

**Section 3.03 Establishment and Application of Costs of Issuance Fund.** The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Costs of Issuance Fund." The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay the Costs of Issuance upon Requisition of the City stating the Person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On June 16, 2006, or upon the earlier Request of the City, amounts, if any, remaining in the Costs of Issuance Fund shall be transferred to the Project Fund, and the Costs of Issuance Fund shall thereafter be closed.

**Section 3.04 Establishment and Application of Project Fund.**

(a) The Authority shall establish, maintain and hold in trust a separate fund designated as the "Project Fund." The moneys in the Project Fund shall be used and withdrawn by the Authority to pay the costs of the Project. The amounts set forth in Section 3.02(c) hereof shall be used for the Rose Bowl Improvements and the City Hall Improvements, respectively.

(b) The Trustee is authorized to establish a convenience account from time to time in connection with the proper administration of this Indenture. The Trustee is authorized and directed to receive proceeds from the sale of the Bonds allocable to the Project Fund to be established and maintained by the Authority pursuant to this Section and following receipt therefore, the Authority authorizes the Trustee to transfer such funds to the Authority.

(c) When the Rose Bowl Improvements and City Hall Improvements shall have been completed, the Authority shall transfer any remaining balance in such Project Fund, less the amount of any retention for claims that are subject to dispute and for which a retention in the Project Fund is to be maintained until such dispute is resolved, to the Optional Redemption Account, to be applied to the optional redemption of Bonds. Upon such transfer, the Project Fund shall be closed.

**Section 3.05 Bond Reserve Fund.** The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Bond Reserve Fund." Moneys in the Bond Reserve Fund shall be used and withdrawn by the Trustee solely for the purposes set forth in this Section 3.05.

(a) If, on any Interest Payment Date, the amount on deposit in any account within the Interest Fund is insufficient to pay the interest due with respect to the Bonds on such Interest Payment Date or to reimburse any Credit Provider which has issued a Credit Facility securing the Bonds pursuant to Section 4.03 of the Sublease, the Trustee shall transfer from the Bond Reserve Fund and deposit in the Interest Fund an amount sufficient to make up such deficiency.

(b) If, on any Principal Payment Date or any Mandatory Sinking Account Payment due date, the amount on deposit in the Principal Fund is insufficient to pay the principal due with respect to the Bonds on such Principal Payment Date or Mandatory Sinking Account Payment due date or to reimburse any Credit Provider which has issued a Credit Facility

securing the Bonds pursuant to Section 5.03 of the Sublease, the Trustee shall transfer from the corresponding account within the Bond Reserve Fund and deposit in the Principal Fund an amount sufficient to make up such deficiency.

(c) Moneys on deposit in the Bond Reserve Fund shall be withdrawn and applied by the Trustee for the final payment on the Bonds.

In the event of any withdrawal or transfer from the Bond Reserve Fund, the Trustee shall, within five (5) days thereafter, provide written notice to the City of the amount and the date of such transfer. If at any time the balance in the Bond Reserve Fund shall be reduced below the Bond Reserve Fund Requirement, the first Base Rental Payments thereafter payable by the City under the Sublease and not needed to pay the interest and principal of the Bonds on the next Interest Payment Date, Principal Payment Date or Mandatory Sinking Account Payment due date shall be used to increase the balance in such account within the Bond Reserve Fund to the required Bond Reserve Fund Requirement. If at any time the balance in the Bond Reserve Fund shall be in excess of the Bond Reserve Fund Requirement, the Trustee shall transfer such excess first to the Interest Fund, to the extent necessary so that the balance in the Interest Fund is equal to the interest coming due on the Bonds on the next Interest Payment Date and any balance shall be transferred to the Principal Fund. At the termination of the Sublease in accordance with its terms, any balance remaining in the Bond Reserve Fund shall be released and may be transferred to such other fund or account of the City, or otherwise used by the City for any other lawful purposes, as the City may direct. For purposes of determining the amount on deposit in the Bond Reserve Fund, all investments shall annually be valued at the cost thereof (exclusive of accrued but unpaid interest, but inclusive of commissions). Except as provided in this paragraph with respect to Base Rental Payments not needed to pay the interest and principal of the Bonds, insurance and condemnation proceeds transferred to the Bond Reserve Fund pursuant to Section 7.01 of the Sublease, and from amounts available to be transferred from the Cost of Issuance Fund pursuant to Section 3.03 hereof, the City shall have no obligation to replenish the Bond Reserve Fund.

The City, upon notice to the Rating Agencies, reserves the right to substitute, at any time and from time to time, one or more Reserve Facilities from a financial institution, the long-term unsecured obligations of which are rated in the two highest rating categories of the Rating Agency in substitution for or in place of all or any portion of the Bond Reserve Fund Requirement, under the terms of which the Trustee is unconditionally entitled to draw amounts when required for the purposes hereof. In the event one or more Reserve Facilities are substituted for all or a portion of the moneys held or required to be held by the Trustee in the Bond Reserve Fund pursuant to the terms of this Indenture then, notwithstanding any other provision hereof, (1) the Trustee shall draw upon the Reserve Facility(ies) (pro-rata if more than one are in effect) for amounts which the terms of this Indenture require to be transferred and applied from the Bond Reserve Fund; provided that any cash on deposit in the Bond Reserve Fund shall be so transferred and applied before the Reserve Facility(ies) is (are) drawn upon. Upon deposit by the City with the Trustee of any such Reserve Facility(ies), the Trustee shall, on or after the date of such deposit, transfer to the City such amounts as are on deposit in the Bond Reserve Fund in excess of the Bond Reserve Fund Requirement after application of the Reserve Facility(ies) thereto. The City shall, subject to any investment instructions contained in the Tax Certificate, use any such amounts transferred from the Bond Reserve Fund for any lawful



purpose of the City which will not adversely affect any current or past exclusion from gross income for federal income tax purposes of the interest on the Bonds, if and to the extent such interest is currently or has in the past been so excluded.

**Section 3.06 Establishment and Application of Prior Letter of Credit Fund.** The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Prior Letter of Credit Fund." The moneys in the Prior Letter of Credit Fund shall be used and withdrawn by the Trustee to reimburse The Bank of New York and the California State Teachers' Retirement System for the draws by the 1996 Trustee on the Prior Letter of Credit deposited by the 1996 Trustee in the Escrow Funds upon receipt of a Requisition of the City stating the Person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. Upon such payment the Prior Letter of Credit Fund shall thereafter be closed. The Trustee shall be entitled to conclusively rely on the truth and accuracy of the statements in such Requisition of the City and shall have no liability to the extent the Trustee makes any disbursement thereon.

**Section 3.07 Validity of Bonds.** The validity of the authorization and issuance of the Bonds is not dependent on and shall not be affected in any way by any proceedings taken by the Authority or the Trustee with respect to or in connection with the Lease or the Sublease. The recital contained in the Bonds that the same are issued pursuant to the Act and the Constitution and laws of the State shall be conclusive evidence of their validity and of compliance with the provisions of law in their issuance.

## ARTICLE IV

### REDEMPTION AND TENDER OF BONDS

#### **Section 4.01 Terms of Redemption.**

(a) Optional Redemption of Bonds in the Unit Pricing Mode. Bonds in the Unit Pricing Mode are not subject to optional redemption prior to their respective Purchase Dates. Bonds in the Unit Pricing Mode are subject to redemption prior to the Maturity Date, at the option of the Authority in whole or in part on the Purchase Date at a Redemption Price equal to the principal amount of Bonds called for redemption, plus unpaid accrued interest, if any, to the date fixed for redemption, without premium.

(b) Optional Redemption of Bonds in the Daily Mode, the Weekly Mode, the R-FLOATs Mode or the Indexed Rate Mode. Bonds in the Daily Mode, the Weekly Mode, the R-FLOATs Mode or the Indexed Rate Mode are subject to redemption prior to the Maturity Date, at the option of the Authority, as directed by the City, in whole on any date or in part on any Interest Payment Date, at a Redemption Price equal to the principal amount of Bonds called for redemption, plus unpaid accrued interest, if any, to the date fixed for redemption, without premium.

(c) Optional Redemption of Bonds in the Term Rate Mode or the Fixed Rate Mode. Bonds in the Term Rate Mode or Fixed Rate Mode are subject to redemption prior to the Maturity Date, at the option of the Authority, as directed by the City, at such times and upon

such terms as shall be specified by the Authority in a schedule to be delivered to the Trustee on or prior to such change to such Term Rate Mode or Fixed Rate Mode.

(d) Optional Redemption of Auction Rate Securities. Auction Rate Securities are subject to redemption prior to the Maturity Date, at the option of the Authority, as directed by the City, in whole on any date or in part on any Interest Payment Date at a Redemption Price equal to the principal amount of Bonds called for redemption, without premium.

(e) Optional Redemption of Bonds in the Stepped Coupon Mode. Bonds in the Stepped Coupon Mode are subject to redemption prior to the Maturity Date, at the option of the Authority, as directed by the City, in whole on any date or in part on the Interest Payment Date immediately following the last day of a Stepped Coupon Period at a Redemption Price equal to the principal amount of Bonds called for redemption without premium.

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

(g) Sinking Fund Redemption. (i) The Bonds are also subject to redemption prior to their stated Maturity Date, in part, from Mandatory Sinking Account Payments deposited in the Principal Fund pursuant to Section 5.03 on December 1 of each of the years set forth below, in the principal amounts set forth below, together with unpaid accrued interest, if any, to the date fixed for redemption, without premium.

Year (December 1)	Mandatory Sinking Account Payment
2007	\$2,100,000
2008	2,200,000
2009	2,300,000
2010	2,300,000
2011	2,400,000
2012	2,500,000
2013	2,600,000
2014	2,700,000
2015	2,800,000
2016	2,800,000
2017	2,900,000
2018	3,000,000
2019	3,100,000
2020	3,200,000
2021	3,300,000
2022	3,500,000
2023*	3,600,000

\*maturity

Notwithstanding the foregoing, when any Auction Rate Securities are to be redeemed from Mandatory Sinking Account Payments as described above, if such December 1 is not an Interest Payment Date, the redemption from Mandatory Sinking Account Payments shall occur on the Interest Payment Date immediately preceding such December 1.

The Authority may purchase any Bonds subject to redemption from Mandatory Sinking Account Payments and tender such Bonds to the Trustee in satisfaction of the required Mandatory Sinking Account Payments referred to above.

The principal amount of Bonds to be redeemed from Mandatory Sinking Account Payments on any December 1 shall be reduced by the Authority as directed by the City by the principal amount of Bonds previously redeemed pursuant to Section 4.01(a), (b), (c), (d), (e) or (f).

(h) Unremarketed Bonds shall be mandatorily redeemed in accordance with the terms of Section 3.01(b) of the Bond Purchase Agreement.

**Section 4.02 Selection of Bonds for Redemption.** Whenever provision is made in this Indenture for the redemption of less than all of the Bonds, subject to Section 4.01 hereof, the Trustee shall select the Bonds to be redeemed, in the authorized denominations specified in Section 2.02, by lot, in any manner which the Trustee in its sole discretion shall deem appropriate and fair; provided, however, that Credit Facility Bonds shall be redeemed prior to any other Bonds. The Trustee shall promptly notify the Authority and the City in writing of any redemption of the Bonds or portions thereof so selected for redemption. The selection of Bonds shall be at such time as determined by the Trustee.

**Section 4.03 Notice of Redemption.** Notice of redemption shall be mailed by first-class mail by the Trustee, not less than 30 nor more than 60 days prior to the date fixed for redemption, to the Credit Provider, the Rating Agencies and to the respective Holders of any Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee. Each notice of redemption shall state the date of such notice, the date of original issuance of the Bonds, the date fixed for redemption, the Redemption Price, the place or places of redemption (including the name and appropriate address or addresses of the Trustee), the CUSIP number, if any, of the Bonds, to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on said Bonds the Redemption Price thereof or of said specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, and that from and after such date, interest on such Bond (or the portion thereof to be redeemed) shall cease to accrue, and shall require that such Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice.

If any Bonds that are in the Auction Mode are to be redeemed and such Bonds are held by a Securities Depository, the Trustee shall include in the notice of the call for redemption delivered to the Securities Depository (i) a date placed under an item entitled "Publication Date for Securities Depository Purposes" and such date shall be three Business Days after the Auction

Date immediately preceding such redemption date and (ii) an instruction to Securities Depository to (x) determine on such Publication Date after the Auction held on the immediately preceding Auction Date has settled, the Securities Depository Participants whose Securities Depository positions shall be redeemed and the principal amount of such Auction Rate Bonds to be redeemed from each such position (the "Securities Depository Redemption Information"), and (y) notify the Auction Agent immediately after such determination of the (1) positions of the Securities Depository Participants in such Bonds immediately prior to such Auction settlement (2) the position of the Securities Depository Participants in such Auction Rate Bonds immediately following such Auction settlement, and (3) the Securities Depository Redemption Information.

Notice of redemption of Bonds shall be given by the Trustee, at the expense of the City.

Failure by the Trustee to mail notice of redemption pursuant to this Section 4.03 to the Credit Provider, the Rating Agencies or to any one or more of the Holders of any Bonds designated for redemption shall not affect the sufficiency of the proceedings for redemption with respect to the Holder or Holders to whom such notice was mailed.

Any notice given pursuant to this Section 4.03 may be conditional and may be rescinded by written notice given to the Trustee by the Authority at the direction of the City no later than 5 Business Days prior to the date specified for redemption. The Trustee shall give notice of such rescission, as soon thereafter as practicable, in the same manner, to the same persons, as notice of such redemption was given pursuant to this Section 4.03.

**Section 4.04 Partial Redemption of Bonds.** Upon surrender of any Bond to be redeemed in part only, the Trustee shall authenticate and deliver to the Holder thereof, at the expense of the City, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the redeemed portion of the Bond surrendered.

**Section 4.05 Effect of Redemption.** Notice of redemption having been duly given as aforesaid, and moneys for payment of the Redemption Price of, together with interest accrued to the date fixed for redemption on, the Bonds (or portions thereof) so called for redemption being held by the Trustee, on the date fixed for redemption designated in such notice, the Bonds (or portions thereof) so called for redemption shall become due and payable at the Redemption Price specified in such notice plus interest accrued thereon to the date fixed for redemption, interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Indenture, and the Holders of said Bonds shall have no rights in respect thereof except to receive payment of said Redemption Price and accrued interest.

**Section 4.06 Optional Tenders of Bonds in the Daily Mode, the Weekly Mode or the R-FLOATs Mode.** So long as the Credit Facility is in effect, the Holders of Eligible Bonds (other than Credit Facility Bonds) in a Daily Mode, a Weekly Mode or the R-FLOATs Mode may elect to have their Bonds (or portions of those Bonds in amounts equal to the lowest denomination then authorized pursuant to Section 2.02) purchased on any Business Day in the case of Bonds in a Daily Mode or a Weekly Mode, on any Rate Determination Date in the case of Bonds in a weekly R-FLOATs Mode, on any Interest Payment Date in the case of Bonds in a

monthly R-FLOATs Mode and on the Interest Payment date immediately following a Special R-FLOATs Rate Period in the case of Bonds in a Special R-FLOATs Rate Period in each case at a price equal to the Purchase Price,

(i) in the case of Bonds in a Daily Mode, upon delivery of an irrevocable telephonic notice of tender to the Remarketing Agent, the Trustee and the Tender Agent not later than the Tender Notice Deadline; and

(ii) in the case of Bonds in a Weekly Mode or the R-FLOATs Mode, upon delivery of an irrevocable written notice of tender or irrevocable telephonic notice of tender to the Remarketing Agent and the Tender Agent, promptly confirmed in writing to the Tender Agent, not later than the Tender Notice Deadline.

Such notices of tender shall state the CUSIP number, Bond number (if the Bonds are not registered in the name of the Securities Depository) and the principal amount of such Bond and that such Bond shall be purchased on the Purchase Date specified above. Payment of the Purchase Price shall be made pursuant to this Section 4.06 only if the Bond so delivered to the Tender Agent conforms in all respects to the description thereof in the notice described in this Section 4.06. A Holder who gives the notice of tender as set forth above may repurchase the Bonds so tendered on such Purchase Dates if the Remarketing Agent agrees to sell the Bonds so tendered to such Holder. If such Holder decides to repurchase such Bonds and the Remarketing Agent agrees to sell the specified Bonds to such Holder, the delivery requirements set forth in Section 4.12(d) shall be waived. The Tender Agent may assume that a Bond is an Eligible Bond unless it has actual knowledge to the contrary.

**Section 4.07 Mandatory Purchase at End of Unit Pricing Rate Periods; Mandatory Tender while Bonds bear interest at a Bank Index Interest Rate.** (a) Each Bond in the Unit Pricing Mode is subject to mandatory purchase on the Purchase Date for the current Interest Period at the Purchase Price. No notice of such mandatory purchase shall be given to the Holders.

(b) Each Bond in the Bank Index Interest Rate Mode is subject to mandatory purchase on (i) each Bank Purchase Date and (ii) with respect to Bonds bearing interest at a Bank Index Interest Rate and each Unremarketed Bond, following the occurrence of an Event of Default and written direction from the Majority Holder for the Trustee to call the Bonds for mandatory purchase on the third Business Day after the Trustee receives such notice.

**Section 4.08 Mandatory Purchase on Mode Change Date or Election to Set a Special R-FLOATs Rate Period.**

(a) Bonds to be changed from one Mode to another Mode (other than a change to the Fixed Rate Mode, which Bonds are subject to mandatory purchase pursuant to subsection (b) of this Section 4.08) or Bonds in a R-FLOATS Mode which are to be changed to a Special R-FLOATs Rate Period of greater than 35 days at the election of the Authority are subject to mandatory purchase on the Mode Change Date or the effective date of the Special R-FLOATs Rate Period at the Purchase Price as provided in this subsection (a). The Tender Agent shall give notice of such mandatory purchase by Electronic Means to the Credit Provider upon

receipt of notice of such mandatory purchase and to the Holders of the Bonds subject to mandatory purchase no less than 4 Business Days prior to the Mode Change Date. The notice shall state the Mode Change Date, the Purchase Price and that interest on Bonds subject to mandatory purchase shall cease to accrue for the benefit of the current Beneficial Owner from and after the Mode Change Date. The failure to give such notice with respect to any Bond shall not affect the validity of the mandatory purchase of any other Bond with respect to which notice was so mailed. Any notice mailed will be conclusively presumed to have been given, whether or not actually received by any Holder.

(b) Bonds to be changed to the Fixed Rate Mode are subject to mandatory purchase on the Mode Change Date at the Purchase Price (subject to Section 2.10). The Tender Agent shall give notice of such mandatory purchase as part of the notice of change of Mode to be sent to the Holders pursuant to Section 2.13(b)(ii). The failure to give such notice with respect to any Bond shall not affect the validity of the mandatory purchase of any other Bond with respect to which notice was so mailed. Any notice mailed will be conclusively presumed to have been given, whether or not actually received by any Holder.

**Section 4.09 Mandatory Purchase at End of Interest Period for Term Rate Mode.**

Bonds in the Term Rate Mode are subject to mandatory purchase on the Purchase Date for the current Interest Period at the Purchase Price. The Tender Agent shall give notice of such mandatory purchase by mail to the Holders of the Bonds subject to mandatory purchase with a copy to the Credit Provider no less than 30 days prior to the Mandatory Purchase Date. The notice shall state the Mandatory Purchase Date, the Purchase Price and that interest on Bonds subject to mandatory purchase shall cease to accrue from and after the Mandatory Purchase Date. The Tender Agent may assume that a Bond is an Eligible Bond unless it has actual knowledge that such Bond is not an Eligible Bond. The failure to mail such notice with respect to any Bond shall not affect the validity of the mandatory purchase of any other Bond with respect to which notice was so mailed. Any notice mailed will be conclusively presumed to have been given, whether or not actually received by any Holder.

**Section 4.10 Mandatory Purchase on Expiration Date, Substitute Credit Facility Date and Termination Date.**

(a) On each Substitute Credit Facility Date, and on the second Business Day preceding each Expiration Date, the Eligible Bonds shall be subject to mandatory purchase on such date at the Purchase Price; provided, however, that the Bonds shall not be subject to Mandatory Purchase on the Substitute Credit Facility Date or the second Business Day preceding each Expiration Date if on or prior to the 15th day prior to such Expiration Date or Substitute Credit Facility Date, (i) the City has furnished to the Trustee an agreement to extend the Credit Facility or (ii), with respect to each Substitute Credit Facility Date, the Trustee, the Remarketing Agent and the Holders receive written confirmation from each Rating Agency to the effect that immediately following such Substitute Credit Facility Date there will be no withdrawal or reduction of the long-term and short-term rating then in effect with respect to such Bonds. The Trustee shall give notice of any such substitution or expiration by mail to the Holders with a copy to the Remarketing Agent and the Credit Provider no less than 10 days prior to such substitution or expiration, and, if applicable, shall include with such notice copy of the written confirmation from each Rating Agency described in the foregoing sentence. In the case of a substitution, such notice shall also specify the name of the provider of the proposed Substitute Credit Facility and the terms thereof. The Tender Agent shall give notice of such

mandatory purchase by mail to the Holders of the Bonds subject to mandatory purchase no less than 10 days prior to such Mandatory Purchase Date. The notice shall state the Mandatory Purchase Date, the Purchase Price and that interest on Bonds subject to mandatory purchase shall cease to accrue from and after the Mandatory Purchase Date. Such notice shall also specify the name of the provider of the proposed Substitute Credit Facility and the terms thereof. The failure to mail such notice with respect to any Bond shall not affect the validity of the mandatory purchase of any other Bond with respect to which notice was so mailed. Any notice mailed will be conclusively presumed to have been given, whether or not actually received by any Holder.

(b) On each Termination Date, the Eligible Bonds shall be subject to mandatory purchase on such date at the principal amount thereof, plus accrued interest, if any, with respect thereto to the Termination Date. The Tender Agent shall give notice of such mandatory purchase by mail to the Holders of the Bonds as soon as practicable after receipt of notice of termination from the Credit Provider. The notice shall state the Mandatory Purchase Date, the Purchase Price and that interest on Bonds subject to mandatory purchase shall cease to accrue from and after the Mandatory Purchase Date. Such notice shall also specify the name of the provider of the proposed Substitute Credit Facility and the terms thereof. The failure to mail such notice with respect to any Bond shall not affect the validity of the mandatory purchase of any other Bond with respect to which notice was so mailed. Any notice mailed will be conclusively presumed to have been given, whether or not actually received by any Holder.

**Section 4.11 Remarketing of Bonds; Notices.**

(a) *Remarketing of Bonds.* The Remarketing Agent shall use its best efforts to offer for sale:

(i) all Bonds or portions thereof as to which notice of tender has been given pursuant to Section 4.06;

(ii) all Bonds required to be purchased pursuant to Sections 4.07, 4.08, 4.09 and 4.10;

(iii) Bonds bearing interest at the Bank Index Interest Rate on each

Bank Purchase Date and any Unremarketed Bonds; and

(iii) all Credit Facility Bonds.

(b) *Notice of Remarketing; Registration Instructions; New Bonds.* On each Purchase Date or Mandatory Purchase Date, as the case may be:

(i) unless the Remarketing Agent has notified the Tender Agent and the Trustee otherwise, the Remarketing Agent shall notify the Tender Agent, the Credit Provider and the Trustee by Electronic Means not later than 11:00 a.m., or with respect to the Bonds in a R-FLOATS Mode not later than 2:00 p.m., New York City time of the amount of tendered Bonds which were successfully remarketed, the names of the tendering Holders and the registration instructions (i.e., the names, addresses and

taxpayer identification numbers of the purchasers and the denominations then authorized pursuant to Section 2.02) with respect thereto (the Remarketing Agent may rescind or revise any such notice previously given up until the deadline for such notice); and

(ii) the Trustee shall execute new Bonds for the respective purchasers thereof which shall be available for pick up by the Remarketing Agent pursuant to Section 4.12(E).

(c) *Transfer of Funds; Draw on Credit Facility.* On each Purchase Date or Mandatory Purchase Date, as the case may be:

(i) the Remarketing Agent shall give notice to the Tender Agent, the Trustee and the Credit Provider of receipt of the Purchase Price of remarketed Bonds by 11:00 a.m. New York City time and if the Remarketing Agent has received less than the amount equal to the Purchase Price of all Bonds tendered or deemed tendered for purchase, the amount of such deficiency;

(ii) the Remarketing Agent shall cause to be paid to the Tender Agent the Purchase Price of the remarketed Bonds by 11:30 a.m. New York City time;

(iii) except with respect to the Bonds in the R-FLOATs Mode, the Tender Agent shall give notice to the Trustee, the City and to the Credit Provider with respect to the Bonds subject to purchase (or the Tender Agent shall instruct the Trustee to give notice and the Trustee shall give notice) in accordance with the terms of the Credit Facility by 11:15 a.m., or with respect to the Bonds in a Daily Mode by 11:15 a.m., New York City time (and promptly thereafter, the Tender Agent shall so notify the Securities Depository) of the amount equal to the Purchase Price of all Bonds tendered or deemed tendered less the aggregate amount of remarketing proceeds on hand; and

(iv) except with respect to the Bonds in the R-FLOATs Mode, the Tender Agent (or the Trustee if the Trustee is the beneficiary under the Credit Facility) shall draw on the Credit Facility in accordance with the terms thereof so as to receive thereunder by 2:00 p.m. New York City time on such date an amount, in immediately available funds, sufficient, together with the proceeds of the remarketing of Bonds on such date, to enable the Tender Agent to pay the Purchase Price in connection therewith.

**Section 4.12 General Provisions Relating to Tenders.**

(a) Purchase Fund. The Tender Agent shall establish and maintain a special fund designated as the "Purchase Fund," and within such fund two separate accounts designated, respectively, as the "Credit Facility Deposit Account" and the "Remarketing Proceeds Account." The money in the Purchase Fund shall be held in trust and applied solely as provided in this Section.

The Tender Agent shall deposit all moneys delivered to it hereunder for the purchase of Bonds into the Remarketing Proceeds Account and shall hold all such moneys in trust for the exclusive benefit of the Person 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 Person and, thereafter, for the benefit of the Holders tendering such Bonds.

The Tender Agent shall deposit all moneys delivered to it hereunder from a payment by or on behalf of the Credit Provider for the purchase of Bonds into the Credit Facility Deposit Account and shall hold all such moneys in trust for the exclusive benefit of the Credit Provider until the Bonds purchased with such moneys shall have been delivered to or for the account of the Credit Provider and, after such delivery, the Tender Agent shall hold such funds exclusively for the benefit of the Holders tendering such Bonds.

Moneys in the Credit Facility Deposit Account and the Remarketing Proceeds Account shall not be commingled with other funds held by the Tender Agent and shall remain uninvested. Neither the Authority nor the City shall have any right, title or interest in or to any moneys held in the Purchase Fund.

(b) Payment of Purchase Price. At or before close of business New York City time on the Purchase Date or Mandatory Purchase Date and upon receipt by the Tender Agent of the aggregate Purchase Price of the tendered Bonds, the Tender Agent shall pay the Purchase Price of such Bonds to the Holders by bank wire transfer in immediately available funds. The Tender Agent shall pay the Purchase Price from the following accounts and in the following order of priority: (1) the Remarketing Proceeds Account to the extent funds are available therein and (2) in the case of Eligible Bonds, the Credit Facility Deposit Account. The Tender Agent may assume that a Bond is an Eligible Bond unless it has actual knowledge to the contrary. If at close of business New York City time on any Purchase Date or Mandatory Purchase Date of Bonds any balance remains in the Credit Facility Deposit Account in excess of any unsatisfied purchase obligation, such excess shall be promptly returned to the Credit Provider.

(c) Inadequate Funds for Tenders. (i) If the funds available for purchases of Eligible Bonds pursuant to this Article IV are inadequate for the purchase of all Bonds tendered on any Purchase Date or Mandatory Purchase Date, no purchase shall be consummated and the Tender Agent shall, after any applicable grace period (1) return all tendered Bonds to the Holders thereof, (2) return all moneys deposited in the Remarketing Proceeds Account to the Remarketing Agent for return to the Persons providing such moneys and (3) return all moneys deposited in the Credit Facility Deposit Account to the Credit Provider.

(ii) In the event that funds are not available to pay the tender price of the Bonds bearing interest at a Bank Index Interest Rate subject to Mandatory Purchase Date on a Bank Purchase Date, the Bonds shall be redeemed in accordance with Section 4.01(h) hereof.

(d) Delivery of Bonds by Tendering Bondholders; Undelivered Bonds Deemed Purchased. All Bonds to be purchased on any date shall be required to be delivered to the principal corporate office of the Tender Agent at or before 12:00 Noon New York City time on such Purchase Date or Mandatory Purchase Date. If the Holder of any Bond (or portion thereof) that is subject to purchase pursuant to this Article IV fails to deliver such Bond to the Tender Agent for purchase on the Purchase Date or Mandatory Purchase Date, and if the Tender Agent is in receipt of the Purchase Price therefor, such Bond (or portion thereof) shall nevertheless be deemed purchased on the day fixed for purchase thereof and ownership of such

Bond (or portion thereof) shall be transferred to the purchaser thereof as provided in subsection (e) below. Any Holder who fails to deliver such Bond for purchase shall have no further rights thereunder except the right to receive the Purchase Price thereof upon presentation and surrender of said Bond to the Tender Agent. The Tender Agent shall, as to any tendered Bonds that have not been delivered to it: (1) promptly notify the Remarketing Agent of such nondelivery; and (2) instruct the Trustee to place a stop transfer against an appropriate amount of Bonds registered in the name of such Holder(s) on the bond registration books. The Trustee shall place such stop(s) commencing with the lowest serial number Bond registered in the name of such Holder(s) until stop transfers have been placed against an appropriate amount of Bonds until the appropriate tendered Bonds are delivered to the Tender Agent who shall deliver such Bonds to the Trustee. Upon such delivery, the Trustee shall make any necessary adjustments to the bond registration books.

(e) Delivery of Bonds. On the Purchase Date or Mandatory Purchase Date, the Tender Agent shall direct the Trustee to execute and deliver all Bonds purchased on any Purchase Date or Mandatory Purchase Date as follows: (1) Bonds purchased and remarketed by the Remarketing Agent shall be registered and made available to the Remarketing Agent by 2:30 p.m. New York City time in accordance with the instructions of the Remarketing Agent; and (2) Bonds purchased with amounts paid by or on behalf of the Credit Provider shall be registered and made available in the name of or as directed in writing by the Credit Provider on or before 2:30 p.m. New York City time and become Credit Facility Bonds. Notwithstanding the foregoing, the Tender Agent shall not deliver any such Bonds unless it has received notice from the Credit Provider that the amount available for the purchase of Bonds (prior to a change in Mode to a Fixed Rate) is at least equal to the aggregate amount of all Bonds then Outstanding (other than Credit Facility Bonds) plus an amount equal to (1) 34 days' interest on Bonds in a Daily Mode or a Weekly Mode, (2) 111 days' interest on Bonds in a R-FLOAT Mode or (3) 202 days' interest on Bonds in a Unit Pricing Mode (assuming an interest rate equal to 12% per annum).

(f) No Purchases or Sales After Payment Default. Anything in this Indenture to the contrary notwithstanding, if there shall have occurred and be continuing an Event of Default described in Section 7.01(a) and the Credit Provider has not paid such amount under the Credit Facility, or if the Trustee has received notice from the Credit Provider that an event of default under the Reimbursement Agreement has occurred and is continuing, then the Remarketing Agent shall not remarket any Bonds.

(g) No Remarketing to Affiliates. The Remarketing Agent shall not remarket any Bonds to the Authority, the City, or any affiliate or guarantor of the City.

(h) R-FLOATs Bonds During Non-Remarketing Period. The provisions of this Section 4.12 shall not apply to any Bonds in the R-FLOATs Mode during any Non-Remarketing Period.

**Section 4.13 The Remarketing Agent.** (a) The Remarketing Agent shall be appointed by the Authority and shall serve as such under the terms and provisions hereof. 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 Indenture shall designate its principal 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 Authority, the Trustee, the Tender Agent and the City, under which the Remarketing Agent (subject to subsection (b) below) will agree particularly:

(i) to hold all moneys delivered to it hereunder for the purchase of Bonds for the exclusive benefit of the Person or Persons that shall have so delivered such moneys until the Bonds purchased with such moneys shall have been delivered to or for the account of such Person or Persons;

(ii) 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 City, the Authority, the Trustee, the Tender Agent and the Credit Provider at all reasonable times;

(iii) to determine the Daily Rate, the Weekly Rate, the R-FLOATs Rate the Special R-FLOATs Rate Period, the Non-Remarketing Period, the Unit Pricing Rate, the Term Rate, the Indexed Rate, the Stepped Coupon Rate and the Fixed Rate and give notice of such rates in accordance with Article II hereof;

(iv) to use its best efforts to find purchasers for the Bonds tendered for purchase, any such sale to be made at the Purchase Price in accordance with the terms of this Indenture;

(v) to use its best efforts not to remarket Bonds to the City or any affiliate or guarantor of the City; and

(vi) to deliver to the Tender Agent all Bonds held by it in accordance with the terms of this Indenture and the Remarketing Agreement.

(b) One or more firms may serve as co-Remarketing Agent hereunder provided that each co-Remarketing Agent satisfies the requirements of Sections 4.13 and 4.14. If co-Remarketing Agents have been appointed and are performing the duties of Remarketing Agent hereunder, all references herein to the Remarketing Agent shall be deemed to refer to all the Remarketing Agents acting jointly; provided that the Remarketing Agreement may provide that one firm may perform certain specified duties hereunder in its sole capacity.

(c) If the Remarketing Agent shall resign, be removed, or be dissolved, or if the property or affairs of the Remarketing Agent shall be taken under control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and the City shall not have appointed a successor as Remarketing Agent, the Tender Agent shall ipso facto be deemed to be such Remarketing Agent for all purposes of this Indenture until the appointment by the City of a successor Remarketing Agent; provided, however, that the Tender Agent, in its capacity as Remarketing Agent, shall not be required to sell Bonds or determine the interest rate on the Bonds hereunder if the Tender Agent should be prohibited by law from conducting such activities. The Authority will notify each Rating Agency then rating the Bonds of any successor Remarketing Agent or co-Remarketing Agent.

(d) The Remarketing Agent may in good faith hold the Bonds or any other form of indebtedness issued by the Authority or 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 the Remarketing Agent for any real or apparent conflict of interest by reason of any such actions.

(e) There shall be no Remarketing Agent during a Bank Index Interest Rate Period.

#### **Section 4.14 Qualifications of Remarketing Agent.**

(a) The Remarketing Agent shall be authorized by law to perform all the duties imposed upon it. The Remarketing Agent may at any time resign and be discharged of the duties and obligations described in this Indenture by giving at least 30 days' notice to the City, the Authority, the Credit Provider and the Trustee. Successor Remarketing Agents may be appointed from time to time by the Authority, subject to the approval of the City and the Credit Provider which approval shall not be unreasonably withheld. The Remarketing Agent may be removed upon 30 days' notice upon the written Request of the Authority and upon written notice to the Remarketing Agent, the City, the Trustee, the Tender Agent and the Credit Provider so long as a successor Remarketing Agent shall have assumed the duties thereof by the effective date of such removal.

(b) 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 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 Remarketing Agent hereunder, without the execution or filing of any instrument or any further act.

**Section 4.15 The Tender Agent.** (a) The Tender Agent shall be appointed by the Authority and shall serve as such under the terms and provisions hereof. The Tender Agent and each successor Tender Agent appointed in accordance with this Indenture 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 Authority, the Trustee and the City under which each Tender Agent will agree, particularly:

(i) to hold all Bonds delivered to it for purchase hereunder in trust for the exclusive benefit of the respective Holders 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 Holders;

(ii) to hold all moneys delivered to it hereunder for the purchase of Bonds in trust for the exclusive benefit of the Person 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 Person and, thereafter, for the benefit of the Holders tendering such Bonds;

(iii) 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 City, the Authority, the Trustee, the Remarketing Agent and the Credit Provider at all reasonable times; and

(iv) for any Bonds in the Unit Pricing Mode, the Tender Agent shall assign such CUSIP numbers to the Bonds on each Rate Determination Date as provided in Section 2.05.

(v) The Tender Agent is authorized and directed to execute the Credit Facility. The Tender Agent shall be entitled to the protections, indemnities, immunities and limitations from liability afforded the Trustee hereunder in the performance of its duties.

#### **Section 4.16 Qualifications of Tender Agent.**

(a) The Tender Agent and each successor Tender Agent shall be a commercial bank with trust powers or trust company duly organized under the laws of the United States of America or any state or territory thereof, and authorized by law to perform all duties imposed upon it hereunder. The Tender Agent shall have an office, affiliate office or agency in New York, New York. The Tender Agent may at any time resign and be discharged of its duties and obligations by giving at least 60 days' notice to the Authority, the Trustee, the Remarketing Agent, the Credit Provider, all Holders of Bonds then Outstanding and the City. Any Tender Agent may be removed at any time by the Authority upon Request of the City and notice to the Trustee, the Remarketing Agent, the Credit Provider, the Majority Holder and each Rating Agency then rating the Bonds. Any resignation or removal of the Tender Agent and appointment of a successor Tender Agent shall become effective upon acceptance of appointment by the successor Tender Agent. Successor Tender Agents may be appointed from time to time by the City if not objected to by the Authority, the Credit Provider or the Majority Holder. The Trustee shall provide notice of such successor Tender Agent to all Holders of the Bonds.

(b) Upon the resignation or removal of a Tender Agent, such Tender Agent shall deliver any Bonds, the Credit Facility (if the Tender Agent is the beneficiary under the Credit Facility) and moneys held by it in such capacity to its successor.

(c) Notwithstanding any other provision to the contrary contained herein, any corporation or association into which the Tender Agent may be converted or merged, or with which it may be consolidated, or to 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 Tender Agent hereunder and fully vested with all of the rights, powers, trusts, duties and obligations of Tender Agent hereunder, without the execution or filing of any instrument or any further act.