

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 2.11 Alternate Rate for Interest Calculation. In the case of Bonds other than Auction Rate Securities and Fixed Rate Bonds, 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 2.12 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 2.13 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 converted 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 City shall give written notice to the Authority, 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 (for purposes of this Section, the “Current Mode”) to another Mode (for purposes of this Section, 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.*

(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, 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 Current Mode is a Mode other than an Auction Mode and 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) The Credit Provider shall have consented to the change in Mode. If there shall be no Credit Facility in effect to provide funds for the purchase of the Bonds 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 convert to a seven-day Auction Period and shall bear interest at the Maximum Rate; (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) and (d) otherwise, all Bonds shall be changed to a Daily Rate Mode.

(b) Change to Fixed Rate Mode. At the option of 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 City shall give written notice to the Authority, the Trustee, the Tender Agent, if any, the Remarketing Agent, the Auction Agent, if any, the Broker-Dealer if any, the Credit Provider 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.

(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 convert to a seven-day Auction Period and shall bear interest at the Maximum Rate; (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) and (d) otherwise, all Bonds shall be changed to a Daily Rate Mode.

Section 2.14 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 2.15 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 2.16 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, except to the Credit Provider during the 15 days immediately preceding (1) the date on which notice of redemption of Bonds is given or (2) the date on which Bonds will be selected for redemption.

Section 2.17 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, except to the Credit Provider during the 15 days immediately preceding (1) the date on which notice of redemption is given or (2) the date on which Bonds will be selected for redemption.

Section 2.18 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 2.19 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 2.20 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 2.21 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 (2) 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

(iii) 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) 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 (1) or clause (2) 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 (3) 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, 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 Holders of the Bonds. Neither the Authority nor the Trustee will have any responsibility or obligations, legal or otherwise, to the beneficial Holders or to any other party including the Securities Depository or its successor (or substitute depository or its successor), except for 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 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 \$_____.

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 \$_____ in the Costs of Issuance Fund.

(b) The Trustee shall deposit the sum of \$_____ 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 deposit the sum of \$_____ in the Project Fund.

(d) The Trustee shall deposit the sum of \$_____ in the Bond Reservet 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 Trustee 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 Trustee to pay the costs of the Project.

(b) Before any payment from the Project Fund shall be made, the City shall file or cause to be filed with the Trustee a Requisition stating (1) the item number of such payment; (2) the name of the Person to whom each such payment is due, which may be the City in the case of reimbursement for Rose Bowl Improvement and/or City Hall Improvement costs theretofore paid by the City; (3) the respective amounts to be paid; (4) the purpose by general classification for which each obligation to be paid was incurred; (5) that obligations in the stated amounts have been incurred by the City and are presently due and payable and that each item thereof is a proper charge against the Project Fund and has not been previously paid from the Project Fund; and (6) that there has not been filed with or served upon the City any notice of claim of lien, or attachment upon, or claim affecting the right to receive payment of, any of the amounts payable to any of the persons named in such Requisition, that has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen's or mechanics' liens accruing by mere operation of law.

Upon receipt of a Requisition, the Trustee shall pay the amount set forth in such Requisition as directed by the terms thereof out of the Project Fund. The Trustee shall not make any such payment if it has received any written notice of claim of lien, attachment upon, or claim affecting the right to receive payment of, any of the monies to be so paid, that has not been released or will not be released simultaneously with such payment.

(c) When the Rose Bowl Improvements and City Hall Improvements shall have been completed, there shall be delivered to the Trustee a Certificate of the City stating the fact and date of such completion and stating that all of the costs thereof have been determined and paid (or that all of such costs have been paid less specified claims that are subject to dispute and for which a retention in the Project Fund is to be maintained in the full amount of such claims until such dispute is resolved). Upon the receipt of such Certificate, the Trustee shall, as directed by said Certificate, transfer any remaining balance in such Project Fund, less the amount of any such retention, 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