

ARTICLE V

REVENUES; FUNDS AND ACCOUNTS; PAYMENT OF PRINCIPAL AND INTEREST

Section 5.01 Pledge and Assignment.

(a) Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Revenues and any other amounts (including proceeds of the sale of Bonds) held in any fund or account established pursuant to this Indenture (other than the Purchase Fund, the Credit Facility Account in the Interest Fund, the Credit Facility Account in the Principal Fund and the Rebate Fund) are hereby pledged to secure the payment of the principal of and premium, if any, and interest on the Bonds, including any Credit Facility Bonds and Unremarketed Bonds, in accordance with their terms and the provisions of this Indenture and payment to the Credit Provider in accordance with the terms hereof. Said pledge shall constitute a lien on and security interest in such assets for the payment of the Bonds, and payment to the Credit Provider in accordance with the terms hereof, and shall attach, be perfected and be valid and binding from and after delivery by the Trustee of the Bonds, without any physical delivery thereof or further act. All Revenues and the other amounts specified herein shall be held in trust for the benefit of the Credit Provider and the Holders from time to time of the Bonds, but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes set forth in Article IV and this Article V.

(b) Amounts drawn under each Credit Facility, if any, provided with respect to the Bonds are hereby irrevocably pledged to the punctual payment of the principal and Purchase Price of and interest on such Bonds, and proceeds of any drawing on such Credit Facility shall not be used for any other purpose. Said pledge shall constitute an exclusive lien in favor of the Trustee for the benefit of the Holders of the Bonds on amounts drawn under such Credit Facility and any payments thereunder for the payment of the principal and Purchase Price of and interest on the Bonds in accordance with the terms thereof. Each Credit Facility, if any, provided with respect to the Bonds and any payments thereunder shall be held in trust for the benefit of the Holders from time to time of the Bonds of, but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes set forth in Article IV and this Article V.

(c) The Authority hereby transfers in trust, grants a security interest in and assigns to the Trustee, for the benefit of the Holders from time to time of the Bonds, and to the Credit Provider to the extent of its interest therein, all of the Revenues and other assets pledged in subsection (a) of this Section and all of the right, title and interest of the Authority in the Sublease (except for (i) the right to receive any Additional Rental to the extent payable to the Authority under the Sublease, (ii) any rights of the Authority to indemnification and rights of inspection and consent, and (iii) the obligation of the City to make deposits pursuant to the Tax Certificate). The Trustee shall be entitled to and shall collect and receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. Subject to the provisions of Section 7.06 with respect to the control of remedial proceedings by the Trustee also shall be entitled to and shall take all steps, actions and proceedings reasonably necessary in its judgment to enforce, either jointly with the

Authority or separately, all of the rights of the Authority that have been assigned to the Trustee and all of the obligations of the City under the Sublease other than for those items excepted in the parenthetical contained in the first sentence of this subsection. All Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in this Indenture.

(d) If on the second Business Day prior to the day of any month in which a Base Rental Payment is required to be made, the Trustee has not received the full amount of such Base Rental Payment, the Trustee shall immediately notify the City and the Credit Provider of such insufficiency by Electronic Means and confirm such notification as soon as possible thereafter by written notice.

Section 5.02 Interest Fund.

(a) The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Interest Fund." Moneys in the Interest Fund shall be held, disbursed, allocated and applied by the Trustee only as provided in this Indenture.

(b) The Trustee shall deposit the following Revenues in the Interest Fund when and as such Revenues are received:

(i) the interest component of all Base Rental Payments, including the interest component of all cash prepayments of Base Rental Payments made pursuant to Section 5.01 of the Sublease;

(ii) all interest, profits and other income received from the investment of moneys in the Interest Fund; and

(iii) any other Revenues not required to be deposited in any other fund or account established pursuant to this Indenture.

(c) The Trustee shall establish in the Interest Fund a special account designated as the "Credit Facility Account." The Trustee shall deposit in the Credit Facility Account in the Interest Fund from time to time, upon receipt thereof, all amounts received from demands under a Credit Facility (other than such amounts to be applied to the principal of Bonds which shall be deposited in the Credit Facility Account in the Principal Fund or the Purchase Price of Bonds tendered or deemed tendered for purchase hereunder which shall be deposited in the Credit Facility Deposit Account pursuant to Section 4.12(a)) and shall apply such amounts to the payment when due of interest on the Bonds with respect to which such demand was made before using any other funds available in the Interest Fund for such purpose.

Except to the extent such moneys are required to be held for the payment of interest on the Bonds then due and payable or to reimburse the Credit Provider for draws on the Credit Facility to pay interest on the Bonds or to effect the defeasance of Bonds pursuant to Article X hereof, so long as no Event of Default exists hereunder, on the fifth day after each Interest Payment Date, the Trustee, unless otherwise instructed by the Authority, shall return to the Authority (free and clear of the pledge and lien of this Indenture) any moneys then on deposit in the Interest Fund or shall deposit such funds in the Rebate Fund if so instructed by the

Authority; provided, however, that no payment shall be made to the Authority and such amounts shall be paid to the Credit Provider if and to the extent the City has any obligations to a Credit Provider which are then due and payable, as certified by the Credit Provider to the Trustee.

(d) All amounts in the Interest Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds or to reimburse the Credit Provider for draws on the Credit Facility to pay interest on the Bonds as the same becomes due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to this Indenture).

(e) 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, in immediately available funds, an amount sufficient to pay interest on the Bonds due on such date.

Section 5.03 Principal Fund.

(a) The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Principal Fund." Moneys in the Principal Fund shall be held, disbursed, allocated and applied by the Trustee only as provided in this Indenture.

(b) The Trustee shall deposit the following Revenues in the Principal Fund when and as such Revenues are received:

(i) the principal component of all Base Rental Payments, but excluding the principal component of all cash prepayments of Base Rental Payments made pursuant to Section 5.01 of the Sublease, which shall be deposited in the Redemption Fund; and

(ii) all interest, profits and other income received from the investment of moneys in the Principal Fund.

(c) The Trustee shall establish in the Principal Fund a special account designated as the "Credit Facility Account." The Trustee shall deposit in the Credit Facility Account in the Principal Fund from time to time, upon receipt thereof, all amounts received from demands under a Credit Facility (other than such amounts to be applied to the interest on Bonds which shall be deposited in the Credit Facility Account in the Interest Fund or the Purchase Price of Bonds tendered or deemed tendered for purchase hereunder which shall be deposited in the Credit Facility Deposit Account pursuant to Section 4.12(a)) and shall apply such amounts to the payment when due of principal on the Bonds with respect to which such demand was made before using any other funds available in the Principal Fund for such purpose.

Except to the extent such moneys are required to be held for the payment of the principal or Redemption Price of the Bonds then due and payable or to reimburse the Credit Provider for draws on the Credit Facility to pay principal or the Redemption Price of the Bonds, or to effect the defeasance of Bonds pursuant to Article X hereof, so long as no Event of Default exists hereunder, on the fifth day after each Principal Payment Date, the Trustee, unless otherwise instructed by the Authority, shall return to the Authority (free and clear of the pledge

and lien of this Indenture) any moneys then on deposit in the Principal Fund or shall deposit such funds in the Rebate Fund if so instructed by the Authority; provided, however, that no payment shall be made to the Authority and such amounts shall be paid to the Credit Provider if and to the extent the City has any obligations to a Credit Provider which are then due and payable, as certified by the Credit Provider to the Trustee.

(d) All amounts in the Principal Fund shall be used and withdrawn by the Trustee solely to redeem the Bonds, or pay the Bonds at maturity, or to reimburse the Credit Provider for draws on the Credit Facility to pay principal or the Redemption Price of the Bonds, as provided herein.

(e) 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, in immediately available funds, an amount sufficient to pay principal on the Bonds due on such date.

On each Mandatory Sinking Account Payment date, the Trustee shall apply the Mandatory Sinking Account Payment required on that date to the redemption (or payment at maturity, as the case may be) of Bonds or to reimburse the Credit Provider, in the amounts and upon the notice and in the manner provided in Article IV; provided that, at any time prior to giving such notice of such redemption, the Trustee shall, upon direction of the City, apply such moneys to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Fund) as the City may direct, except that the purchase price (excluding accrued interest) shall not exceed the par amount of such Bonds. If, during the twelve month period immediately preceding said Mandatory Sinking Account Payment date, the Trustee has purchased Bonds with moneys in the Principal Fund, or, during said period and prior to giving said notice of redemption, the City has deposited Bonds with the Trustee, or Bonds were at any time purchased or redeemed by the Trustee from the Redemption Fund and allocable to said Mandatory Sinking Account Payment, such Bonds so purchased or deposited or redeemed shall be applied, to the extent of the full principal amount thereof, to reduce said Mandatory Sinking Account Payment. All Bonds purchased or deposited pursuant to this subsection shall be cancelled and destroyed by the Trustee to or upon the Order of the City. All Bonds purchased from the Principal Fund or deposited by the City with the Trustee shall be allocated first to the next succeeding Mandatory Sinking Account Payment, then to the remaining Mandatory Sinking Account Payments as selected by the City.

Section 5.04 Redemption Fund.

(a) The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Redemption Fund." The Trustee shall establish, maintain and hold in trust within the Redemption Fund a separate Optional Redemption Account and a separate Special Redemption Account.

(b) The Trustee shall deposit the following Revenues in the Optional Redemption Account when and as such Revenues are received:

(i) except as provided in subsection (c) of this Section, the principal component of all cash prepayments of Base Rental Payments made pursuant to Section 5.01 of the Sublease; and

(ii) all interest, profits and other income received from the investment of moneys in the Optional Redemption Account.

(c) The Trustee shall deposit the following Revenues in the Special Redemption Account when and as such Revenues are received:

(i) the principal component of all cash prepayments of Base Rental Payments made pursuant to Section 5.05 of the Sublease which are specified in a Certificate of the City to have been derived from insurance or condemnation proceeds received with respect to the Leased Property; and

(ii) all interest, profits and other income received from the investment of moneys in the Special Redemption Account.

(d) All amounts deposited in the Optional Redemption Account and in the Special Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of redeeming Bonds or to reimburse the Credit Provider, in the manner and upon the terms and conditions specified in Article IV, at the next succeeding date of redemption for which notice has not been given and at the Redemption Prices then applicable to redemptions from the Optional Redemption Account and the Special Redemption Account, respectively. All Bonds redeemed from the Redemption Fund shall be allocated to applicable Mandatory Sinking Account Payments in inverse order of their payment dates.

Section 5.05 Investment of Moneys. All moneys in any of the funds and accounts established pursuant to this Indenture shall be invested by the Trustee (other than amounts deposited in the Purchase Fund or the Credit Facility Account of the Interest Fund and the Principal Fund which proceeds shall remain uninvested), upon the written direction of the City given at least two days prior to the investment date, solely in Investment Securities. Investment Securities shall be purchased at such prices as the City may direct. All directions of the City to invest in Investment Securities shall be made subject to the limitations set forth in Section 6.06, the limitations as to maturities hereinafter in this Section set forth and such additional limitations or requirements consistent with the foregoing as may be established by Request of the City. No Request of the City shall impose any duty on the Trustee inconsistent with its fiduciary responsibilities. In the absence of directions from the City, the Trustee shall invest in Investment Securities specified in subsection (10) of the definition thereof in Section 1.01.

Moneys in all funds and accounts shall be invested in Investment Securities maturing not later than the date on which it is estimated that such moneys will be required for the purposes specified in this Indenture. Investment Securities purchased under a repurchase agreement may be deemed to mature on the date or dates on which the Trustee may deliver such Investment Securities for repurchase under such agreement.

All interest, profits and other income received from the investment of moneys in any fund or account established pursuant to this Indenture shall be deposited when received in such fund or account. Notwithstanding anything to the contrary contained in this paragraph, an amount of interest received with respect to any Investment Security equal to the amount of accrued interest, if any, paid as part of the purchase price of such Investment Security shall be credited to the fund or account for the credit of which such Investment Security was acquired.

Moneys held in the Redemption Fund for the redemption of Bonds shall be invested solely in Investment Securities specified in subsection (1) of the definition thereof in Section 1.01, maturing in such amounts and at such times as are required for such redemption. If the City causes moneys to be deposited with the Trustee as a prepayment of Base Rental Payments under the Sublease, until such moneys are paid to Holders, such moneys shall be invested solely in Investment Securities specified in subsection (1) of the definition thereof.

Investment Securities acquired as an investment of moneys in any fund or account established under this Indenture shall be credited to such fund or account. For the purpose of determining the amount in any such fund or account, all Investment Securities credited to such fund or account shall be valued at the lower of cost (exclusive of accrued interest after the first payment of interest following acquisition) or par value (plus, prior to the first payment of interest following acquisition, the amount of interest paid as part of the purchase price).

The Trustee may commingle any of the funds or accounts established pursuant to this Indenture (other than the Rebate Fund, Credit Facility Account of the Interest Fund and the Principal Fund and the Purchase Fund) into a separate fund or funds for investment purposes only, provided that all funds or accounts held by the Trustee hereunder shall be accounted for separately as required by this Indenture. The Trustee may act as principal or agent in the making or disposing of any investment. The Trustee may sell at the best price obtainable, or present for redemption, any Investment Securities so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Investment Security is credited, and, subject to the provisions of Section 8.03, the Trustee shall not be liable or responsible for any loss resulting from any investment made in accordance with provisions of this Section 5.05. Any Investment Securities that are registrable securities shall be registered in the name of the Trustee.

The Trustee is hereby authorized, in making or disposing of any investment permitted by this Section, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person or dealing as principal for its own account.

Section 5.06 Rebate Fund.

(a) The Trustee shall establish, maintain and hold in trust a separate fund designated as the Rebate Fund. Within the Rebate Fund, the Trustee shall maintain such accounts as shall be specified in writing by the City in order to comply with the Tax Certificate and Agreement. Subject to the transfer provisions provided in paragraph (e) below, all money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Amount (as defined in the Tax Certificate and Agreement), for payment to

the federal government of the United States of America. The Authority, the City and the Holder of any Bonds shall have no rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section, by Section 6.06 and by the Tax Certificate and Agreement (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the City including the City's supplying all necessary information in the manner provided in the Tax Certificate, and shall have no liability or responsibility to enforce compliance by the City or the Authority with the terms of the Tax Certificate.

(b) Upon the City's written direction, an amount shall be deposited to the Rebate Fund by the Trustee from deposits by the City, if and to the extent required, so that the balance in the Rebate Fund shall equal the Rebate Amount. Computations of the Rebate Amount shall be furnished by or on behalf of the City in accordance with the Tax Certificate.

(c) The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section, other than from moneys held in the Rebate Fund or provided to it by the City.

(d) At the written direction of the City, the Trustee shall invest all amounts held in the Rebate Fund in Investment Securities, subject to the restrictions set forth in the Tax Certificate and Agreement. The Trustee shall not be liable for any consequences arising from such investment. Money shall not be transferred from the Rebate Fund except as provided in subsection (E) below.

(e) Upon receipt of the City's written directions, the Trustee shall remit part or all of the balances in the Rebate Fund to the United States of America, as so directed. In addition, if the City so directs, the Trustee will deposit money into or transfer money out of the Rebate Fund from or into such accounts or funds as directed by the City's written directions. Any funds remaining in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any Rebate Amount, or provision made therefor satisfactory to the Trustee, and payment of any amount then owed to the Trustee, shall be withdrawn and remitted to the City.

(f) Notwithstanding any other provision of this Indenture, including in particular Article X, the obligation to remit the Rebate Amounts to the United States of America and to comply with all other requirements of this Section, Section 6.06 and the Tax Certificate shall survive the defeasance or payment in full of the Bonds.

ARTICLE VI

PARTICULAR COVENANTS

Section 6.01 Punctual Payment. The Authority shall punctually cause to be paid the principal of, Redemption Price, if any, and interest on the Bonds, in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of Revenues and other assets pledged for such payment as provided in this Indenture.

Section 6.02 Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon that shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Authority to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Section 6.03 Against Encumbrances. The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by this Indenture. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, and reserves the right to issue other obligations for such purposes.

Section 6.04 Power to Issue Bonds and Make Pledge and Assignment. The Authority is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge and assign the Revenues and other assets purported to be pledged and assigned, respectively, under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are and will be the legal, valid and binding special obligations of the Authority in accordance with their terms, and the Authority and Trustee shall at all times, to the extent permitted by law, defend, preserve and protect said pledge and assignment of Revenues and other assets and all the rights of the Bondholders and the Credit Provider under this Indenture against all claims and demands of all persons whomsoever.

Section 6.05 Accounting Records and Financial Statements.

(a) The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with the Trustee's accounting practices for books of record and account relating to similar trust accounts, in which complete and accurate entries shall be made of all transactions relating to the proceeds of Bonds, the Revenues, the Sublease and all funds and accounts established pursuant to this Indenture. Such books of record and account shall be available for inspection by the Authority, the City, the Credit Provider, the Remarketing Agent, the Auction Agent, if any, and any Bondholder, or his agent or representative duly authorized in writing, at reasonable hours and under reasonable circumstances.

(b) The Trustee shall file and furnish on or before the 15th day of each month to the Authority, the City, the Credit Provider, the Remarketing Agent if any and each Bondholder who shall have filed his or her name and address with the Trustee for such purpose a complete financial statement (which need not be audited) covering receipts, disbursements, allocation and application of Revenues and any other moneys (including proceeds of Bonds) in any of the funds and accounts established pursuant to this Indenture for the preceding month;

provided, that the Trustee shall not be required to deliver an accounting for any fund or account that (1) has a balance of \$0.00 and (2) has not had any activity since the last reporting date.

Section 6.06 Tax Covenants. The Authority shall at all times do and perform all acts and things permitted by law and this Indenture that are necessary or desirable in order to assure that interest paid on the Bonds will be excluded from gross income for purposes of federal income taxes and shall take no action that would result in such interest not being excluded from gross income for federal income taxes. Without limiting the generality of the foregoing, the Authority agrees to comply with the provisions of the Tax Certificate.

Section 6.07 Enforcement and Amendment of Sublease.

(a) The Trustee shall promptly collect all amounts due from the City pursuant to the Sublease, shall perform all duties imposed upon it pursuant to the Sublease and shall diligently enforce, and take all steps, actions and proceedings reasonably necessary for the enforcement of all of the rights of the Authority assigned to it hereunder and all of the obligations of the City relating thereto.

(b) The Authority may not amend, modify or terminate any of the terms of the Sublease, or consent to any such amendment, modification or termination, except as set forth in the Sublease.

Section 6.08 Waiver of Laws. The Authority shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Indenture or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority to the extent permitted by law.

Section 6.09 Further Assurances. The Authority will make, execute and deliver any and all such further indentures, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better assuring and confirming unto the Holders of the Bonds and the Credit Provider of the rights and benefits provided in this Indenture.

Section 6.10 Continuing Disclosure. Pursuant to Section 11.07 of the Sublease, the City has covenanted to comply with and carry out all of the provisions of a disclosure agreement with respect to the Bonds, if required by the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission (as amended from time to time, the "Rule"), that complies with the provisions of the Rule and is in form and substance satisfactory to the Participating Underwriters (as defined in the Rule). Notwithstanding any other provision of this Indenture, failure of the City to enter into and comply with such a disclosure agreement shall not be considered an Event of Default; however, any Bondholder or beneficial owner may and the Trustee, at the written request of any Participating Underwriter or the Holders of at least 25% aggregate principal amount of Outstanding Bonds, shall, but only to the extent it has been indemnified to its satisfaction from any loss, liability or expense, including without limitation, fees and expenses of its attorneys and advisors and additional fees and expenses of the Trustee, take such actions as may be necessary and appropriate, including seeking mandate or specific

performance by court order, to cause the City to comply with its obligations under Section 11.07 of the Sublease.

Section 6.11 Compliance with Lease and Sublease. The Authority and the City have covenanted in the Lease and Sublease to faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms contained in the Lease and Sublease required to be complied with, kept, observed and performed by them and, together with the Trustee, will enforce the Lease and Sublease against the other party thereto in accordance with their respective terms.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF BONDHOLDERS

Section 7.01 Events of Default. Any one or more of the following events shall be Events of Default:

(a) default in the due and punctual payment of the principal of any Bond when and as the same shall become due and payable;

(b) default in the due and punctual payment of interest on any Bond when and as the same shall become due and payable;

(c) default by the Authority in the observance of any of the other covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, if such default shall have continued for a period of 30 days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Authority by the Trustee, or to the Authority and the Trustee by the Credit Provider, or the Holders of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding; provided, however, that if such default can be remedied but not within such 30 day period and if the Authority has taken all action reasonably possible to remedy such default within such 30 day period, such default shall not become an Event of Default for so long as the City shall diligently proceed to remedy the same in accordance with and subject to any directions or limitations of time reasonably established by the Trustee;

(d) a Sublease Default Event; or

(e) an "Event of Default" under a Bond Purchase Agreement.

Section 7.02 Action on Default. In each and every case during the continuance of an Event of Default, the Trustee or the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding shall be entitled to, upon notice in writing to the Authority and City, with the consent of the Credit Provider or the Majority Holder, as applicable, and the Trustee shall, upon the written direction of the Credit Provider or the Majority Holder, as applicable, exercise any of the remedies granted to the City under the Lease or to the Authority under the Sublease, and in addition, to take whatever action at law or in equity may appear necessary or desirable to protect and enforce any of the rights vested in the Trustee or such

Owners by this Indenture or by such Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement or for the enforcement of any other legal or equitable right, including any one or more of the remedies set forth in Section 7.03(a), (b) or (c) hereof. The Credit Provider or the Majority Holder, as applicable, shall have the right to direct all remedial proceedings hereunder.

Section 7.03 Other Remedies of the Trustee. The Trustee shall have the right--

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the Authority or any member, officer or employee thereof, and to compel the Authority or any such member, officer or employee to perform or carry out its or his or her duties under law and the agreements and covenants required to be performed by it or him or her contained herein;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Trustee; or

(c) by suit in equity upon the happening of any default hereunder to require the Authority to account as the trustee of an express trust.

Section 7.04 Application of Revenues and Other Funds After Default. If an Event of Default shall occur and be continuing, all Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of this Indenture (subject to the requirements of Section 11.10 relating to the use of moneys held for particular Bonds) shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Holders of the Bonds and payment of reasonable charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under this Indenture;

(b) To the payment of the principal and interest then due on the Bonds, ratably without preference or priority of any kind, according to the amounts first due and payable; and

(c) To the payment of all amounts due any Credit Provider and the Purchaser under the Sublease, the Credit Facility and the Bond Purchase Agreement.

Section 7.05 Trustee to Represent Bondholders. The Trustee is hereby irrevocably appointed (and the successive respective Holders of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney in fact of the Holders of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Holders under the provisions of the Bonds, this Indenture, the Sublease, the Act and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Bondholders, the Trustee in its discretion may, and upon the written request of the Credit Provider, or the Majority Holder, as applicable, or the Holders of not less than 25% in aggregate principal amount of the Bonds then Outstanding and with the consent of the Credit Provider or the Majority Holder, as applicable, shall, upon being

indemnified to its satisfaction therefor, proceed to protect or enforce its rights or the rights of such Holders, the Credit Provider or the Majority Holder, as applicable by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee, in the Credit Provider, the Majority Holder or in such Holders under the Bonds, this Indenture, the Sublease, the Act or any other law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Revenues and other assets pledged under this Indenture, pending such proceedings. All rights of action under this Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Holders of such Bonds, or the Credit Provider, as applicable, subject to the provisions of this Indenture (including Section 6.02).

Section 7.06 Bondholders' Direction of Proceedings. Anything in this Indenture to the contrary notwithstanding, the Holders of a majority in aggregate principal amount of the Bonds then Outstanding, but with the consent of the Credit Provider or the Majority Holder, as applicable shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture, and that the Trustee shall have the right to decline to follow any such direction that in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

Section 7.07 Limitation on Bondholders' Right to Sue. No Holder of any Bond shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the Sublease or any other applicable law with respect to such Bond, unless (a) such Holder shall have given to the Trustee written notice of the occurrence of an Event of Default; (b) the Holders of not less than 25% in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) such Holder or said Holders shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Holder of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture or the rights of any other Holders of Bonds, or to enforce any right under this Indenture, the Sublease or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the

benefit and protection of all Holders of the Outstanding Bonds, subject to the provisions of this Indenture (including Section 6.02).

Section 7.08 Absolute Obligation of Authority. Nothing in Section 7.07 or in any other provision of this Indenture, or in the Bonds, contained shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the principal of and interest on the Bonds to the respective Holders of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Revenues and other assets herein pledged therefor, or affect or impair the right of such Holders, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

Section 7.09 Termination of Proceedings. In case any proceedings taken by the Trustee, the Credit Provider or any one or more Bondholders on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, the Credit Provider or the Bondholders, then in every such case the Authority, the Credit Provider, the Trustee and the Bondholders, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the Authority, the Credit Provider, the Trustee and the Bondholders shall continue as though no such proceedings had been taken.

Section 7.10 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee, the Credit Provider or to the Holders of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 7.11 No Waiver of Default. No delay or omission of the Trustee, the Credit Provider or of any Holder of the Bonds to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee, the Credit Provider, the Majority Holder or the Holders of the Bonds may be exercised from time to time and as often as may be deemed expedient. The Trustee shall not waive any Event of Default if, in connection with such Event of Default, there has been a draw on the Credit Facility, unless the Credit Provider has notified the Trustee that such Credit Facility has been reinstated.

Section 7.12 Notice to Bondholders of Default. The Trustee shall promptly give written notice by first class mail to the Bondholders, the Majority Holder and the Credit Provider of the occurrence of an Event of Default, if the Trustee has actual knowledge of such Event of Default, and of the giving of any notice under Section 7.01(c) hereof.

ARTICLE VIII

THE TRUSTEE

Section 8.01 Duties, Immunities and Liabilities of Trustee.

(a) The Trustee shall, prior to an Event of Default, and after the curing of all Events of Default that may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture. The Trustee shall, during the existence of any Event of Default (that has not been cured), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent trustee would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Authority may, and upon written request of the City shall, remove the Trustee at any time unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee if at any time requested to do so by the Credit Provider or the Majority Holder by an instrument or concurrent instruments in writing signed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee, and thereupon shall appoint, with the written consent of the City, the Majority Holder and the Credit Provider, a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the Authority, Remarketing Agent, the Majority Holder and the Credit Provider and by giving the Bondholders notice of such resignation by mail at the addresses shown on the bond registration books maintained by the Trustee. Upon receiving such notice of resignation, the Authority shall promptly appoint, with the written consent of the City, the Majority Holder and the Credit Provider, a successor Trustee by an instrument in writing. The Trustee shall not be relieved of its duties until such successor Trustee has accepted appointment.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall only become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within 45 days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Bondholder (on behalf of himself and all other Bondholders) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice if any as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture, shall signify its acceptance of such

appointment by executing and delivering to the Authority and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Request of the Authority or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture (including the Credit Facility if the predecessor Trustee is the beneficiary thereof) and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Authority shall mail a notice of the succession of such Trustee to the trusts hereunder to each Rating Agency then rating the Bonds, the Credit Provider and to the Bondholders at the addresses shown on the bond registration books maintained by the Trustee. If the Authority fails to mail such notice within 15 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Authority.

(e) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a trust company or bank having the powers of a trust company in the State of California, having (or if such trust company or bank is a member of a bank holding company system, its bank holding company has) a combined capital and surplus of at least \$50,000,000, and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

Section 8.02 Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under subsection (e) of Section 8.01 shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 8.03 Liability of Trustee.

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Authority, and the Trustee shall assume no responsibility for the correctness of

the same, or make any representations as to the validity or sufficiency of this Indenture or of the Bonds, or shall incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it except for any recital or representation specifically relating to the Trustee or its powers. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee may become the owner of Bonds with the same rights it would have if it were not Trustee and, to the extent permitted by law, may act as depositary for and permit any of their officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders, whether or not such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding.

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

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(d) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Bondholders pursuant to the provisions of this Indenture unless such Bondholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities that may be incurred therein or thereby. The Trustee has no obligation or liability to the Holders for the payment of interest on, principal of or premium, if any, with respect to the Bonds from its own funds; but rather the Trustee's obligations shall be limited to the performance of its duties hereunder.

(e) Except with respect to Events of Default specified in Section 7.01(a) or (b) hereof, the Trustee shall not be deemed to have knowledge of any Event of Default unless and until an officer at the Trustee's corporate trust operation responsible for the administration of its duties hereunder shall have actual knowledge thereof or the Trustee shall have received written notice thereof at the Principal Corporate Trust Office. The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of a default or Event of Default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it.

(f) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through attorneys in fact, agents or receivers, and shall not be answerable for the negligence or misconduct of any such attorney-of-fact, agent or receiver selected by it with due care. The Trustee shall be entitled to advice of counsel and other professionals concerning all matters of trust and its duty hereunder, including verification reports

in connection with any defeasance of the Bonds, but the Trustee shall not be answerable for the professional malpractice of any attorney in law or certified public accountant in connection with the rendering of his professional advice in accordance with the terms of this Indenture, if such attorney in law or certified public accountant was selected by the Trustee with due care.

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

(h) Whether or not therein expressly so provided, every provision of this Indenture and the Sublease, relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provision of this Article.

Section 8.04 Right of Trustee and Tender Agent to Rely on Documents. The Trustee and the Tender Agent shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee and the Tender Agent may consult with counsel, who may be counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

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

Section 8.05 Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, the City, the Credit Provider, and any Bondholder, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

Section 8.06 Separate or Co-Trustee. At any time or times, for the purpose of meeting any legal requirements of any jurisdiction, the Trustee shall have power to appoint, and, upon the request of the Credit Facility Provider, or the Holders of at least 25% in aggregate principal amount of Bonds Outstanding and with the consent of the City and the Credit Provider, shall appoint, one or more Persons approved by the Trustee either to act as co-trustee or co-trustees, jointly with the Trustee, to act as separate trustee or separate trustees, and to vest in such Person or Persons, in such capacity, such rights, powers, duties, trusts or obligations as the Trustee may consider necessary or desirable, subject to the remaining provisions of this Section.

Every co-trustee or separate trustee shall, to the extent permitted by law but to such extent only, be appointed subject to the following terms, namely:

- (a) The Bonds shall be authenticated and delivered solely by the Trustee.
- (b) All rights, powers, trusts, duties and obligations conferred or imposed upon the trustees shall be conferred or imposed upon and exercised or performed by the Trustee, or by the Trustee and such co-trustee or co-trustees or separate trustee or separate trustees jointly, as shall be provided in the instrument appointing such co-trustee or co-trustees or separate trustee or separate trustees, except to the extent that, under the law of any jurisdiction in which any particular act or acts are to be performed, the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such act or acts shall be performed by such co-trustee or co-trustees or separate trustee or separate trustees.
- (c) Any request in writing by the Trustee to any co-trustee or separate trustee to take or to refrain from taking any action hereunder shall be sufficient warrant for the taking, or the refraining from taking, of such action by such co-trustee or separate trustee.
- (d) Any co-trustee or separate trustee may, to the extent permitted by law, delegate to the Trustee the exercise of any right, power, trust, duty or obligation, discretionary or otherwise.
- (e) The Trustee at any time, by any instrument in writing, may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section.
- (f) No trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder, nor will the act or omission of any trustee hereunder be imputed to any other trustee.
- (g) Any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing delivered to the Trustee shall be deemed to have been delivered to each such co-trustee or separate trustee.
- (h) Any moneys, papers, securities or other items of personal property received by any such co-trustee or separate trustee hereunder shall forthwith, so far as may be permitted by law, be turned over to the Trustee.

Upon the acceptance in writing of such appointment by any such co-trustee or separate trustee, it or he shall be vested with such rights, powers, duties or obligations, as shall be

specified in the instrument of appointment jointly with the Trustee (except insofar as local law makes it necessary for any such co-trustee or separate trustee to act alone) subject to all the terms hereof. Every such acceptance shall be filed with the Trustee. To the extent permitted by law, any co-trustee or separate trustee may, at any time by an instrument in writing, constitute the Trustee its or his attorney-in-fact and agent, with full power and authority to do all acts and things and to exercise all discretion on its or his behalf and in its or his name.

In case any co-trustee or separate trustee shall die, become incapable of acting, resign or be removed, all rights, powers, trusts, duties and obligations of said co trustee or separate trustee shall, so far as permitted by law, vest in and be exercised by the Trustee unless and until a successor co-trustee or separate trustee shall be appointed in the manner herein provided.

Section 8.07 Compensation and Indemnification. The Authority shall pay to the Trustee and the Tender Agent (solely from Additional Rental) from time to time reasonable compensation for all services rendered under this Indenture, and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Indenture.

No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers, if it has not received the agreed compensation for such services or, in cases where the Trustee has a right to reimbursement or indemnification for such performance or exercise, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it; provided, however, that the Tender Agent and the Trustee shall in no event condition any draw upon the Credit Facility or any payment to Bondholders from such draws under the Credit Facility upon the provision of any indemnification for such performance.

Section 8.08 Notice to Rating Agency. The Trustee shall give written notice to any Rating Agency if (i) a successor Trustee is appointed hereunder, (ii) if this Indenture, the Sublease, the Remarketing Agreement or the Credit Facility is amended or supplemented in any material manner, or, if any of such documents are amended with the consent of the Credit Provider, (iii) if the Credit Facility expires, is terminated, substituted, or is extended, (iv) if a successor Remarketing Agent is appointed, (v) if the Bonds are paid and this Indenture defeased pursuant to Section 10.01 (vi) if the Bonds are redeemed in whole or in part pursuant to Section 4.01 or are subject to mandatory tender pursuant to Section 4.07, or (vii) if the Bonds are changed to another Mode, provided that the Trustee shall incur no liability for failure to give any such notice.

ARTICLE IX

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 9.01 Amendments Permitted.

(a) This Indenture and the rights and obligations of the Authority and of the Holders of the Bonds and of the Trustee may be modified or amended from time to time and at any time by an indenture or indentures supplemental thereto, which the Authority and the Trustee may enter into when the written consent of the Holders of a majority in aggregate principal amount of all Bonds then Outstanding, the Majority Holder and the Credit Provider shall have been filed with the Trustee. No such modification or amendment shall (1) extend the fixed maturity of any Bond, or reduce the amount of principal thereof, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, or extend the time of payment or reduce the amount of any Mandatory Sinking Account Payment, or reduce any premium payable upon the redemption thereof, without the consent of the Holder of each Bond so affected, or (2) reduce the aforesaid percentage of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under this Indenture prior to or on a parity with the lien created by this Indenture, or deprive the Holders of the Bonds of the lien created by this Indenture on such Revenues and other assets (except as expressly provided in this Indenture), without the consent of the Holders of all of the Bonds then Outstanding, or (3) modify any of the rights or obligations of the Trustee without its prior written consent thereto; nor shall the Trustee be required to consent to any such amendment that adversely affects its rights or obligations hereunder or under the Sublease, the Credit Facility or the Remarketing Agreement. It shall not be necessary for the consent of the Bondholders to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution by the Authority and the Trustee of any Supplemental Indenture pursuant to this subsection (a), the Trustee shall mail a notice, setting forth in general terms the substance of such Supplemental Indenture, to each Rating Agency then rating the Bonds, to the Credit Provider and to the Holders of the Bonds at the addresses shown on the bond registration books of the Trustee. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

(b) This Indenture and the rights and obligations of the Authority, of the Trustee and of the Holders of the Bonds may also be modified or amended from time to time and at any time by an indenture or indentures supplemental hereto, which the Authority and the Trustee may enter into without the consent of any Bondholders (but with the consent of (i) the Credit Provider unless such modification or amendment affects only the Fixed Rate Bonds and (ii) the Majority Holder unless the Bonds bear interest at a rate other than the Bank Index Interest Rate), if the Trustee determines that the provisions of such Supplemental Indenture shall not materially adversely affect the interests of the Holders of the Bonds, including, without limitation, for any one or more of the following purposes:

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

(ii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained

in this Indenture, or in regard to matters or questions arising under this Indenture, as the Authority may deem necessary or desirable and not inconsistent with this Indenture;

(iii) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute;

(iv) to make the Bonds eligible for deposit with any securities depository;

(v) to obtain a rating on the Bonds;

(vi) to conform to the terms and provisions of any Credit Facility; or

(vii) to make any modification or amendment to this Indenture, even if consent of Holders would otherwise be required (i) if such amendment will be effective upon the remarketing of Bonds following the mandatory tender of the Bonds pursuant to Sections 4.07, 4.08, 4.09 or 4.10 hereof or (ii) with respect to the Bonds in a Daily Mode, a Weekly Mode or a R-FLOATs Mode (except during any Non-Remarketing Period) only, if notice of such proposed modification or amendment is given to Holders (in the same manner as notices of redemption are given) at least 15 days before the effective date thereof and on or before such effective date, the Holders have the right to demand purchase of their Bonds pursuant to Section 4.06 hereof; provided, that, on or prior to the effective date of such modification or amendment, the Trustee shall obtain a Favorable Opinion of Bond Counsel.

The Trustee shall give notice of any such modification or amendment to each Rating Agency then rating the Bonds provided the Trustee shall incur no liability for failure to do so.

(c) The Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Indenture authorized by subsections (a) or (b) of this Section that materially adversely affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 9.02 Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture pursuant to this Article, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Authority, the Trustee, the Credit Provider, the Majority Holder and all Holders of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 9.03 Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the execution of any Supplemental Indenture pursuant to this Article may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to any modification or amendment provided for in such

Supplemental Indenture, and, in that case, upon demand of the Holder of any Bond Outstanding at the time of such execution and presentation of his Bond for the purpose at the office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Bond. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the Authority and the Trustee, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the Authority and authenticated by the Trustee, and upon demand of the Holders of any Bonds then Outstanding shall be exchanged at the Principal Corporate Trust Office, without cost to any Bondholder, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amounts.

Section 9.04 Amendment of Particular Bonds. The provisions of this Article shall not prevent any Bondholder from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

ARTICLE X

DEFEASANCE

Section 10.01 Discharge of Indenture. The Bonds may be paid by the Authority in any of the following ways, provided that the Authority also pays or causes to be paid any other sums payable hereunder by the Authority:

- (a) by paying or causing to be paid the principal or Redemption Price of and interest on the Bonds, as and when the same become due and payable;
- (b) by depositing with the Trustee, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem all Bonds then Outstanding; or
- (c) by delivering to the Trustee, for cancellation by it, all Bonds then Outstanding.

If the Authority shall also pay or cause to be paid all other sums payable hereunder by the Authority and no amounts are owing to the Credit Provider or the Bank Index Interest Rate Bondholders with respect to the Bonds or under the Bond Purchase Agreement, then and in that case, at the election of the Authority (evidenced by a Certificate of the Authority, filed with the Trustee, signifying the intention of the Authority to discharge all such indebtedness and this Indenture and upon receipt by the Trustee of an Opinion or Opinions of Counsel to the effect that the obligations under this Indenture have been discharged, and notwithstanding that any Bonds shall not have been surrendered for payment, this Indenture and the pledge of Revenues and other assets made under this Indenture and all covenants, agreements and other obligations of the Authority under this Indenture shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Sections 5.06 and 10.02. In such event, upon Request of the Authority, the Trustee shall cause an accounting for such period or periods as may be requested by the Authority to be prepared and filed with the Authority and shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such

discharge and satisfaction, and the Trustee shall pay over, transfer, assign or deliver all moneys or securities or other property held by it pursuant to this Indenture that are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption (i) to the Credit Provider to the extent of any amounts owed to such Credit Provider pursuant to the Reimbursement Agreement and (ii) otherwise, to the City; provided that in all events moneys in the Rebate Fund shall be subject to the provisions of Section 5.06.

Section 10.02 Discharge of Liability on Bonds. Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of the Authority in respect of such Bond shall cease, terminate, become void and be completely discharged and satisfied, except only that thereafter the Holder thereof shall be entitled to payment of the principal or Redemption Price of and interest on such Bond by the Authority and the Authority shall remain liable for such payment, but only out of such money or securities deposited with the Trustee as aforesaid for its payment, provided further, however, that the provisions of Section 10.04 shall apply in all events.

Section 10.03 Deposit of Money or Securities with Trustee. Whenever in this Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to this Indenture (other than the Purchase Fund and the Rebate Fund) and shall be:

(a) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity (based on the Maximum Rate for periods for which the actual interest rate is not known), except that, in the case of Bonds that are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or Redemption Price of such Bonds and all unpaid interest thereon to the redemption date (based on the Maximum Rate for periods for which the actual interest rate is not known); or

(b) Investment Securities described in clause (1) of the definition thereof in Section 1.01 (not callable by the Authority thereof prior to maturity, unless with respect to Investment Securities described in clause (1)(b) such call by the Authority was anticipated in the verification report relating to the escrow of which such Investment Securities are a part) the principal of and interest on which when due (without any income from the reinvestment thereof) will provide money sufficient to pay the principal or Redemption Price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed (based on an assumed interest rate of 12% per annum for periods for which the actual interest rate is not known), as such principal or Redemption Price and interest become due, provided that, in the case of Bonds that are to be redeemed prior to the maturity thereof, notice of such

redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice;

provided, in each case, that the Trustee shall have been irrevocably instructed (by the terms of this Indenture or by Request of the Authority) to apply such money to the payment of such principal or Redemption Price and interest on such Bonds.

(c) Notwithstanding the foregoing, while any of the Bonds are Variable Rate Bonds, they may not be redeemed pursuant to this Article unless the date fixed for redemption is within the same number of days as the Credit Facility then in effect supports interest on the Bonds. Bonds to be redeemed are not subject to optional tender for purchase pursuant to Section 4.06 and may not be remarketed after irrevocable instructions are given pursuant to subsection (b) above.

Section 10.04 Payment of Bonds After Discharge of Indenture. Notwithstanding any provisions of this Indenture, any moneys held by the Trustee in trust for the payment of the Redemption Price or the principal of, or interest on, any Bonds and remaining unclaimed for two years (or, if less, one day before such moneys would escheat to the State of California under then applicable State law) after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption as provided in this Indenture), if such moneys were so held at such date, or two years (or, if less, one day before such moneys would escheat to the State of California under then applicable State law) after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall be repaid to the City (unless such moneys are proceeds of the Credit Facility and moneys are owed to the Credit Provider by the City, in which event to the Credit Provider) free from the trusts created by this Indenture upon receipt of an indemnification agreement acceptable to the Trustee indemnifying the Trustee with respect to claims of Holders of Bonds that have not yet been paid, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the City or Credit Provider as aforesaid, the Trustee may (at the cost of the City) first mail to the Holders of Bonds that have not yet been paid, at the addresses shown on the bond registration books maintained by the Trustee, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the City or Credit Provider of the moneys held for the payment thereof.

ARTICLE XI

MISCELLANEOUS

Section 11.01 Liability of Authority Limited to Revenues. Notwithstanding anything in this Indenture or in the Bonds contained, the Authority shall not be required to advance any moneys derived from any source other than the Revenues and other assets pledged under this Indenture for any of the purposes in this Indenture mentioned, whether for the payment of the principal or Redemption Price of or interest on the Bonds or for any other purpose of this Indenture. Nevertheless, the Authority may, but shall not be required to, advance for any of the purposes hereof any funds of the Authority that may be made available to it for such purposes.

Section 11.02 Successor Is Deemed Included in All References to Predecessor.

Whenever in this Indenture either the Authority or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Authority or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 11.03 Limitation of Rights to Parties, City, Credit Provider and Bondholders.

Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any person other than the Authority, the Trustee, the City, the Credit Provider and the Holders of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Trustee, the City, the Credit Provider and the Holders of the Bonds. The Credit Provider is expressly deemed to be a third-party beneficiary of this Indenture.

Section 11.04 Waiver of Notice. Whenever in this Indenture the giving of notice by mail, Electronic Means or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 11.05 Destruction of Bonds. Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the Authority of any Bonds, the Trustee shall, in lieu of such cancellation and delivery, destroy such Bonds and deliver a certificate of such destruction to the Authority.

Section 11.06 Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

Section 11.07 Notices. All notices to the Credit Provider shall be given by Electronic Means (unless otherwise provided herein) and confirmed in writing as soon as practicable. Any notice required to be given to Bondholders shall also be given to the Credit Provider. Any notice to or demand upon the Trustee may be served or presented, and such demand may be made, at the Principal Corporate Trust Office (original address shown below), or at such other address as may have been filed in writing by the Trustee with the Authority. Except with respect to notices to the Credit Provider or with respect to claims under the Credit Facility, which notices shall be given in accordance with such documents, any notice to or demand upon the Authority, the City,

the Remarketing Agent or the Tender Agent, if any, shall be deemed to have been sufficiently given or served for all purposes by being delivered or sent by telex or by being deposited, postage prepaid, in a post office letter box, addressed, as the case may be, to the respective following addresses (or to such other address as may have been filed in writing by such party with the Trustee):

- (1) to the Authority at:
117 East Colorado Boulevard, 5th Floor
P.O. Box 7115
Pasadena, California 91105
Attention: Director of Finance
- (2) to the Remarketing Agent at:
Merrill Lynch, Pierce, Fenner & Smith Incorporated
4 World Financial Center, 9th Floor
New York, New York 10080
Attention: Municipal Money Markets Desk
- (3) to the Trustee at:
1761 East Street Andrew Place
Santa Ana, California 92705
Attention: Corporate Trust Department
- (4) to the Tender Agent at:
Trust & Securities Services
60 Wall Street, 27th Floor
Mail Stop: NYC60-2715
New York, New York 10005
Attention: Corporate Trust
- (5) If to the Credit Provider with respect to credit matters, to:

Citibank, N.A.
390 Greenwich Street
New York, New York 10013
Attention: Muni Credit Surveillance 8th Floor

If to the Credit Provider with respect to operations/
money transfer issues, to:

Citibank, N.A.
c/o Citicorp North America, Inc.
3800 Citibank Center, Building B, Third Floor
Tampa, Florida 33610
Attention: Standby Letter of Credit Department

(6) If to the Majority Holder at:

Union Bank, N.A.
445 South Figueroa Street, 608-228
Los Angeles, California 90071
Attention: Karen Coleman, Vice President

(7) to S&P at:

55 Water Street
New York, New York 10041
Attention: Public Finance
or pubfin_structured@standardandpoors.com

(8) to Fitch at:

One State Street Plaza
New York, New York 10004
Attention: Public Finance

Section 11.08 Evidence of Rights of Bondholders. Any request, consent or other instrument required or permitted by this Indenture to be signed and executed by Bondholders may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bondholders in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any person of Bonds transferable by delivery, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and of the Authority if made in the manner provided in this Section.

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

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

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

Section 11.09 Disqualified Bonds. In determining whether the Holders of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds that are held by or for the account of the Authority or the City, or by any other obligor on the Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority, the City or any

other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned that have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority, the City or any other obligor on the Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

Section 11.10 Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds (or portions of Bonds in the case of registered Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto, subject, however, to the provisions of Section 10.04.

Section 11.11 Funds and Accounts. Any fund or account required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with industry standards to the extent practicable, and with due regard for the requirements of Section 6.06 and for the protection of the security of the Bonds and the rights of every Holder thereof. The Trustee may establish such additional funds and accounts as it deems necessary to perform its obligations hereunder.

Section 11.12 Waiver of Personal Liability. No member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the principal or Redemption Price or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this Indenture.

Section 11.13 Credit Provider; Majority Holder. So long as the Credit Provider is not in default under the Credit Facility, the Credit Provider shall be deemed to be the owner of the Bonds for the purpose of all approvals, consents, waivers or institution of any action and the direction of all remedies, except as otherwise provided herein. So long as the Bonds bear interest at a Bank Index Interest Rate, the Majority Holder shall be deemed to be the owner of the Bonds for the purpose of all approvals, consents, waivers or institution of any action and the direction of all remedies, except as otherwise provided herein.

Section 11.14 Business Days. When any action is provided for herein to be done on a day named or within a specified time period, and the day or the last day of the period falls on a day other than a Business Day, such action may be performed on the next ensuing Business Day with the same effect as though performed on the appointed day or within the specified period.

Section 11.15 Governing Law. This Indenture and the Bonds are contracts made under the laws of the State of California, and shall be governed by and construed in accordance with such laws applicable to contracts made and performed in said State.

Section 11.16 Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.