

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Infrastructure Bank, based upon an analysis of existing laws, regulations, rulings and court decisions and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2007A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Series 2007A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings in calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2007A Bonds. See "TAX MATTERS" herein.

\$270,475,000

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK
REFUNDING REVENUE BONDS
(THE J. PAUL GETTY TRUST)
SERIES 2007A-1, SERIES 2007A-2, SERIES 2007A-3 AND SERIES 2007A-4
(AUCTION RATE SECURITIES)

**Dated: Date of Delivery****Price: 100%****Due: October 1, 2047**

The California Infrastructure and Economic Development Bank (the "Infrastructure Bank") will issue the California Infrastructure and Economic Development Bank Refunding Revenue Bonds (The J. Paul Getty Trust) Series 2007A-1 (the "Series 2007A-1 Bonds"), Series 2007A-2 (the "Series 2007A-2 Bonds"), Series 2007A-3 (the "Series 2007A-3 Bonds") and Series 2007A-4 (the "Series 2007A-4 Bonds" and, together with the Series 2007A-1 Bonds, the Series 2007A-2 Bonds and the Series 2007A-3 Bonds, the "Series 2007A Bonds" and each a "Series of Bonds") pursuant to the Indenture (as defined herein). The Infrastructure Bank will loan the proceeds of the Series 2007A Bonds to

THE J. PAUL GETTY TRUST

(the "Getty Trust") pursuant to the Loan Agreement (as defined herein). The Infrastructure Bank will pay the Series 2007A Bonds from payments that the Getty Trust makes pursuant to the Loan Agreement. The proceeds of the Series 2007A Bonds will be applied to refinance outstanding long-term indebtedness of the Getty Trust. See "ESTIMATED SOURCES AND USES OF PROCEEDS" and "THE PLAN OF REFUNDING" herein.

The Infrastructure Bank will issue the Series 2007A Bonds as auction rate securities or "ARS," in denominations of \$25,000 or any integral multiple thereof. The Series 2007A Bonds will initially bear interest at Auction Period Rates for generally successive 7-day Auction Periods, as described on the inside cover hereof. Each Auction Period Rate for the Series 2007A Bonds will, except in certain cases, equal the annual interest rate that results from the implementation of the Auction Procedures described in APPENDIX D. At the election of the Getty Trust, the Series 2007A Bonds may bear interest at Auction Period Rates determined on the basis of a daily Auction Period, 28-day Auction Period, 35-day Auction Period, three-month Auction Period, six-month Auction Period or Flexible Auction Period or may be converted to another Mode (including Daily Mode, Weekly Mode, Commercial Paper Mode or Long-Term Mode) as described herein. The Series 2007A Bonds will be subject to mandatory tender for purchase upon a conversion to a Mode other than Auction Mode; provided certain conditions to conversion are satisfied, as described herein. While the Series 2007A Bonds bear interest at Auction Period Rates, a beneficial owner of a Series 2007A Bond may sell, transfer or dispose of a Series 2007A Bond only in accordance with the Auction Procedures or through a Broker-Dealer for the Series 2007A Bonds. Additional terms relating to the Series 2007A Bonds for the initial seven-day Auction Periods are described on the inside cover hereof.

The Series 2007A Bonds will be issued in book-entry form only and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2007A Bonds. Purchases of beneficial interests in the Series 2007A Bonds will be made in book-entry-only form. Purchasers of the Series 2007A Bonds will not receive physical certificates representing their ownership interests in the Series 2007A Bonds. Upon receipt of payments of principal, premium, if any, and interest on the Series 2007A Bonds, DTC will in turn distribute such payments to the beneficial owners of the Series 2007A Bonds, as more fully described herein. See APPENDIX F — "BOOK-ENTRY ONLY SYSTEM" attached hereto.

This Official Statement describes the Series 2007A Bonds only while they bear interest at Auction Period Rates. Investors should not rely upon the information in this Official Statement if the Series 2007A Bonds are converted to a Mode other than an Auction Mode. Rather, investors should rely upon the offering document used in connection with any such conversion.

The Series 2007A Bonds are subject to optional and mandatory redemption as described herein.

The Getty Trust's obligation under the Loan Agreement to pay the Series 2007A Bonds constitutes an unsecured general obligation of the Getty Trust. The Getty Trust has other unsecured general obligations outstanding. See "LONG-TERM DEBT SERVICE REQUIREMENTS" herein and APPENDIX A — "THE J. PAUL GETTY TRUST – THE GETTY TRUST FINANCIAL OPERATIONS – Outstanding Debt" attached hereto. Moreover, the Getty Trust is not restricted by the Loan Agreement or otherwise from incurring additional indebtedness. Such additional indebtedness, if issued, may be either secured or unsecured and may be entitled to payment prior to payment on the Series 2007A Bonds. See "SECURITY FOR THE SERIES 2007A BONDS" herein.

THE SERIES 2007A BONDS ARE LIMITED OBLIGATIONS OF THE INFRASTRUCTURE BANK AND ARE NOT A LIEN OR CHARGE UPON THE FUNDS OR PROPERTY OF THE INFRASTRUCTURE BANK, EXCEPT TO THE EXTENT OF THE PLEDGE AND ASSIGNMENT OF REVENUES AND FROM CERTAIN AMOUNTS HELD UNDER THE INDENTURE. NEITHER THE STATE OF CALIFORNIA NOR THE INFRASTRUCTURE BANK SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF THE SERIES 2007A BONDS, PREMIUM, IF ANY, OR THE INTEREST THEREON, EXCEPT FROM REVENUES RECEIVED BY THE INFRASTRUCTURE BANK. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2007A BONDS. THE INFRASTRUCTURE BANK HAS NO TAXING POWER. THE SERIES 2007A BONDS ARE NOT A DEBT OF THE STATE OF CALIFORNIA AND THE STATE IS NOT LIABLE FOR PAYMENT THEREOF ALTHOUGH THE SERIES 2007A BONDS ARE ISSUED BY THE INFRASTRUCTURE BANK, THE SERIES 2007A BONDS SHOULD BE VIEWED FOR CREDIT PURPOSES AS DIRECT OBLIGATIONS OF THE GETTY TRUST.

This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2007A Bonds are offered by the Underwriters, when, as and if issued by the Infrastructure Bank and accepted by the Underwriters subject to the approval of validity and certain other legal matters by Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Infrastructure Bank, and subject to other conditions. Certain legal matters will be passed upon for the Underwriters by their counsel, O'Melveny & Myers LLP, for the Infrastructure Bank by its counsel, Brooke Bassett, Esq., and for the Getty Trust by its Acting Vice President, General Counsel and Secretary, Lori Fox, Esq., its outside counsel, Nixon Peabody LLP and its special tax counsel, Caplin & Drysdale, Chartered. It is expected that the Series 2007A Bonds will be available for delivery to DTC in New York, New York on or about October 24, 2007.

MORGAN STANLEY
BEAR, STEARNS & CO. INC.
Underwriters and Broker-Dealers for the
Series 2007A-1 Bonds & Series 2007A-2 Bonds

BEAR, STEARNS & CO. INC.
MORGAN STANLEY
Underwriters and Broker-Dealers for the
Series 2007A-3 Bonds & Series 2007 A-4 Bonds

Dated: October 18, 2007

\$270,475,000
California Infrastructure and Economic Development Bank
Refunding Revenue Bonds
(The J. Paul Getty Trust)
Series 2007A-1, Series 2007A-2, Series 2007A-3 and Series 2007A-4
(Auction Rate Securities)

The Series 2007A-1 Bonds and the Series 2007A-2 Bonds will bear interest from the date of delivery thereof to November 5, 2007 and November 1, 2007, respectively, each at an Initial Period Rate established by Morgan Stanley & Co. Incorporated prior to such date of delivery. The Series 2007A-3 Bonds and the Series 2007A-4 Bonds will bear interest from the date of delivery thereof to October 30, 2007 and October 31, 2007, respectively, each at an Initial Period Rate established by Bear, Stearns & Co. Inc. prior to such date of delivery. Thereafter, each Series of Bonds will bear interest for generally successive seven-day Auction Periods, until the Getty Trust elects to change the Auction Period for such Series or convert such Series of Bonds to another Mode, as described herein. See "THE SERIES 2007A BONDS." Interest with respect to each Series of Bonds will be payable on the applicable initial Interest Payment Date set forth below and thereafter generally on each day set forth below under "Interest Payment Date Generally" (or the Business Day immediately following each Auction Period for each Series of Bonds). Auctions for each Series of Bonds will be held on the first Auction Date set forth below and thereafter generally on each day set forth below under "Auction Date Generally" (or the Business Day immediately preceding each Interest Payment Date).

Series	Par Amount	First Auction Date	Auction Date Generally	Initial Interest Payment Date	Interest Payment Date Generally	Length of Auction Periods Generally	CUSIP¹
2007A-1	\$81,150,000	November 5, 2007	Monday	November 6, 2007	Tuesday	7-days	13033W E66
2007A-2	\$81,125,000	November 1, 2007	Thursday	November 2, 2007	Friday	7-days	13033W E74
2007A-3	\$54,100,000	October 30, 2007	Tuesday	October 31, 2007	Wednesday	7-days	13033W E82
2007A-4	\$54,100,000	October 31, 2007	Wednesday	November 1, 2007	Thursday	7-days	13033W E90

The Bank of New York will act as the initial Auction Agent. Morgan Stanley & Co. Incorporated and Bear, Stearns & Co. Inc. will serve as the initial Broker-Dealers for the Series 2007A Bonds. For additional information relating to the Auction Agent and the Broker-Dealers, see "THE SERIES 2007A BONDS – Certain Investment Considerations Relating to Auction Rate Securities" and "BROKER-DEALERS AND AUCTION AGENT."

¹ Copyright 2007, American Bankers Association. CUSIP numbers provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. CUSIP data herein are set forth for convenience of reference only. This data is not intended to serve as a database and does not in any way serve as a substitute for the CUSIP Service Bureau.

This Official Statement does not constitute an offer to sell the Series 2007A Bonds in any jurisdiction in which or to any person to whom it is unlawful to make such an offer. No dealer, salesperson or other person has been authorized by Morgan Stanley & Co. Incorporated or Bear, Stearns & Co. Inc. (together, the “Underwriters”), the Infrastructure Bank or the Getty Trust to give any information or to make any representations, other than those contained herein, in connection with the offering of the Series 2007A Bonds and, if given or made, such information or representations must not be relied upon.

The information set forth under the captions “THE INFRASTRUCTURE BANK” and “ABSENCE OF MATERIAL LITIGATION - The Infrastructure Bank” has been obtained from the Infrastructure Bank. All other information set forth herein has been obtained from the Getty Trust and other sources. The Infrastructure Bank has not reviewed or approved any information in this Official Statement except information relating to the Infrastructure Bank under the captions “THE INFRASTRUCTURE BANK” and “ABSENCE OF MATERIAL LITIGATION - The Infrastructure Bank.” Estimates and opinions are included and should not be interpreted as statements of fact. Summaries of documents do not purport to be complete statements of their provisions. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the Infrastructure Bank or the Getty Trust since the date hereof.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2007A BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT

\$270,475,000

**CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK
REFUNDING REVENUE BONDS
(THE J. PAUL GETTY TRUST)
SERIES 2007A-1, SERIES 2007A-2, SERIES 2007A-3 AND SERIES 2007A-4
(AUCTION RATE SECURITIES)**

INTRODUCTION

This Introduction contains a brief summary of the terms of the Series 2007A Bonds being offered and of the Official Statement. All statements contained in this Introduction are qualified in their entirety by reference to the entire Official Statement. References to, and summaries of, provisions of the Indenture, the Loan Agreement and any other documents referred to herein do not purport to be complete and such references are qualified in their entirety by reference to the complete provisions of such documents.

Purpose of the Series 2007A Bonds

The California Infrastructure and Economic Development Bank (the “Infrastructure Bank”) will lend the proceeds of the California Infrastructure and Economic Development Bank Refunding Revenue Bonds (The J. Paul Getty Trust), Series 2007A-1 in the aggregate principal amount of \$81,150,000 (the “Series 2007A-1 Bonds”), Series 2007A-2 in the aggregate principal amount of \$81,125,000 (the “Series 2007A-2 Bonds”), Series 2007A-3 in the aggregate principal amount of \$54,100,000 (the “Series 2007A-3 Bonds”) and Series 2007A-4 in the aggregate principal amount of \$54,100,000 (the “Series 2007A-4 Bonds,” and, together with the Series 2007A-1 Bonds, the Series 2007A-2 Bonds and the Series 2007A-3 Bonds, the “Series 2007A Bonds” and each a “Series of Bonds”) to The J. Paul Getty Trust (the “Getty Trust”) pursuant to a Loan Agreement (the “Loan Agreement”), dated as of October 1, 2007, between the Infrastructure Bank and the Getty Trust, to provide funds the Getty Trust will use to (i) repurchase, pursuant to a tender offer described herein, the 2003 Taxable Bonds (as defined under “Outstanding Indebtedness” below) tendered by the owners thereof, (ii) advance refund any and all 2003 Taxable Bonds (if any) that are not tendered by the owners thereof in connection with such tender offer and (iii) pay costs of issuance related to the Series 2007A Bonds, as further described herein. See “ESTIMATED SOURCES AND USES OF PROCEEDS” and “THE PLAN OF REFUNDING” herein.

The Getty Trust

The Getty Trust, a California charitable trust and private operating foundation, is an international cultural and philanthropic institution devoted to the visual arts and the humanities based at the Getty Center in Los Angeles, California. Important information regarding the financial condition of the Getty Trust is set forth in APPENDIX A — “THE J. PAUL GETTY TRUST” and in APPENDIX B — “FINANCIAL STATEMENTS OF THE GETTY TRUST FOR THE YEARS ENDING JUNE 30, 2006 AND 2005” attached hereto, both of which prospective investors should read in their entirety.

The Series 2007A Bonds

The Infrastructure Bank will issue the Series 2007A Bonds pursuant to the provisions of the Bergeson-Peace Infrastructure and Economic Development Bank Act, constituting Division 1 of Title 6.7 of the California Government Code (commencing at Section 63000 thereof), as amended or supplemented (the “Act”), and a Bond Indenture (the “Indenture”), dated as of October 1, 2007, between the Infrastructure Bank and The Bank of New York Trust Company, N.A., as trustee (the “Bond Trustee”).

This Official Statement describes the Series 2007A Bonds only while they bear interest at Auction Period Rates. Investors should not rely upon the information in this Official Statement if the Series 2007A Bonds are converted to a Mode other than an Auction Mode. Rather, investors should rely upon the offering document used in connection with any such conversion.

Each Series of Bonds is being issued initially as auction rate securities or “ARS,” in denominations of \$25,000 or any integral multiple thereof. The Series 2007A-1 Bonds and the Series 2007A-2 Bonds will bear interest from the date of delivery thereof to November 5, 2007 and November 1, 2007, respectively, each at an Initial Period Rate established by Morgan Stanley & Co. Incorporated prior to such date of delivery. The Series 2007A-3 Bonds and the Series 2007A-4 Bonds will bear interest from the date of delivery thereof to October 30, 2007 and October 31, 2007, respectively, each at an Initial Period Rate established by Bear, Stearns & Co. Inc. prior to such date of delivery. Thereafter, each Series of Bonds will bear interest for generally successive seven-day Auction Periods, until the Getty Trust elects to change the Auction Period for such Series (to a daily Auction Period, 28-day Auction Period, 35-day Auction Period, three-month Auction Period, six-month Auction Period or Flexible Auction Period) or convert such Series of Bonds to another Mode, as described herein. Each Series of Bonds will be subject to mandatory tender for purchase upon conversion of such Series to a Mode other than the Auction Mode; provided certain conditions to conversion are satisfied, as described herein. No conversion from the Auction Mode to another Mode shall take effect unless the remarketing proceeds available on the Mode Change Date shall be no less than the amount required to purchase all of the Series 2007A Bonds of such Series at the Purchase Price (unless the Getty Trust, in its sole discretion, elects to transfer to the Tender Agent the amount of such deficiency on or before the Mode Change Date).

Interest on each Series of Bonds will be payable on the applicable date set forth under “Initial Interest Payment Date” on the inside cover page hereof, and thereafter generally on the Business Day immediately following each Auction Period for such Series of Bonds. Auctions for each Series of Bonds will be held on the applicable date set forth under “First Auction Date” on the inside cover page hereof, and thereafter generally on the Business Day next preceding each Interest Payment Date for such Series of Bonds. Each Auction Period Rate for the Series 2007A Bonds will, except in certain cases, be equal to the annual interest rate that results from the implementation of the Auction Procedures set forth in APPENDIX D — “AUCTION PROCEDURES.” Each such Auction Period Rate will remain in effect until the end of the related Auction Period.

The Auction Dates and Auction Periods for each Series of Bonds are subject to adjustment, as described further herein.

While each Series of Bonds bears interest at an Auction Period Rate, (i) such Series of Bonds is subject to redemption prior to its stated maturity, as described herein and (ii) a beneficial owner thereof may sell, transfer or dispose of a Series 2007A Bond within such series only in accordance with the Auction Procedures or through the Broker-Dealer for such Series of Bonds.

The Infrastructure Bank will issue the Series 2007A Bonds in book-entry form only and, when issued, the Series 2007A Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Series 2007A Bonds. Investors may purchase beneficial interests in the Series 2007A Bonds in book-entry-only form. Purchasers of the Series 2007A Bonds will not receive physical certificates representing their ownership interests in the Series 2007A Bonds. Upon receipt of payments of principal, premium, if any, and interest on the Series 2007A Bonds, DTC will distribute the payments to the beneficial owners of the Series 2007A Bonds. See APPENDIX F — “BOOK-ENTRY ONLY SYSTEM” attached hereto.

See “THE SERIES 2007A BONDS” and APPENDIX D — “AUCTION PROCEDURES” for additional information with respect to the terms of the Series 2007A Bonds.

Security for the Series 2007A Bonds

The Infrastructure Bank has pledged the Revenues as security for the Series 2007A Bonds pursuant to the Indenture. The Revenues consist principally of the Loan Repayments to be made by the Getty Trust under the Loan Agreement. The Getty Trust’s obligation to make payments under the Loan Agreement is an unsecured, general obligation of the Getty Trust.

THE SERIES 2007A BONDS ARE LIMITED OBLIGATIONS OF THE INFRASTRUCTURE BANK AND ARE NOT A LIEN OR CHARGE UPON THE FUNDS OR PROPERTY OF THE INFRASTRUCTURE BANK, EXCEPT TO THE EXTENT OF THE PLEDGE AND ASSIGNMENT OF REVENUES AND CERTAIN AMOUNTS HELD UNDER THE INDENTURE. NEITHER THE STATE OF CALIFORNIA NOR THE INFRASTRUCTURE BANK SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF THE BONDS, PREMIUM, IF ANY, OR THE INTEREST THEREON, EXCEPT FROM REVENUES RECEIVED BY THE INFRASTRUCTURE BANK. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2007A BONDS. THE INFRASTRUCTURE BANK HAS NO TAXING POWER. THE SERIES 2007A BONDS ARE NOT A DEBT OF THE STATE OF CALIFORNIA AND THE STATE IS NOT LIABLE FOR PAYMENT THEREOF. ALTHOUGH THE SERIES 2007A BONDS ARE ISSUED BY THE INFRASTRUCTURE BANK, THE SERIES 2007A BONDS SHOULD BE VIEWED FOR CREDIT PURPOSES AS DIRECT OBLIGATIONS OF THE GETTY TRUST.

See “SECURITY FOR THE SERIES 2007A BONDS” herein.

Outstanding Indebtedness

As of October 2, 2007, the outstanding indebtedness of the Getty Trust totaled approximately \$610 million. This indebtedness includes (i) \$275 million outstanding principal amount of California Infrastructure and Economic Development Bank Variable Rate Revenue Bonds (The J. Paul Getty Trust), Series 2003A, Series 2003B, Series 2003C and Series 2003D (the “2003 Tax-Exempt Bonds”) issued in May 2003; (ii) \$250 million outstanding principal amount of The J. Paul Getty Trust Taxable Bonds, Series 2003 (the “2003 Taxable Bonds”) issued in October 2003; and (iii) \$85 million outstanding principal amount of California Infrastructure and Economic Development Bank Variable Rate Bonds (The J. Paul Getty Trust), Series 2004A and Series 2004B (the “2004 Tax-Exempt Bonds”) issued in September 2004. The Getty Trust also has a commercial paper program, under which it is currently authorized to issue up to \$225 million commercial paper notes although none are currently outstanding, and has entered into certain interest rate swap agreements in connection with its outstanding debt. See APPENDIX A — “THE J. PAUL GETTY TRUST – THE GETTY TRUST FINANCIAL OPERATIONS – Outstanding Debt” attached hereto. Upon application of the proceeds of the Series 2007A Bonds as described herein, the Getty Trust expects that all of the 2003 Taxable Bonds will be retired or legally defeased. See “THE PLAN OF REFUNDING – Refunding Prior Obligations.”

Information Related to this Official Statement

The descriptions herein of the Indenture, the Loan Agreement and other agreements relating to the Series 2007A Bonds are qualified in their entirety by reference to such documents, and the description herein of the Series 2007A Bonds is qualified in its entirety by the form thereof and the information with respect thereto included in such documents. See APPENDIX C — “SUMMARY OF PRINCIPAL DOCUMENTS” for a summary of the rights and duties of the Infrastructure Bank and the Bond Trustee, the rights and remedies of the Bond Trustee and the Bondholders upon an event of default, provisions relating to amendments of the Indenture and procedures for defeasance of the Series 2007A Bonds. See APPENDIX D — “AUCTION PROCEDURES” for a description of the Auction Procedures.

All capitalized terms used in this Official Statement and not otherwise defined herein have the same meanings as in the Indenture. See APPENDIX C — “SUMMARY OF PRINCIPAL DOCUMENTS” under the heading “Definitions of Certain Terms” for definitions of certain words and terms used but not otherwise defined herein. See also APPENDIX D — “AUCTION PROCEDURES” for definitions of words and terms relating to the Auction Procedures.

The information and expressions of opinion herein speak only as of their date and are subject to change without notice. Neither delivery of this Official Statement nor any sale made hereunder nor any future use of this Official Statement will, under any circumstances, create any implication that there has been no change in the affairs of the Infrastructure Bank or the Getty Trust.

THE INFRASTRUCTURE BANK

The Infrastructure Bank is an entity within the Business, Transportation and Housing Agency of the State of California (the “State”), organized and existing pursuant to Division 1 of Title 6.7 of the California Government Code, as amended (commencing with Section 63000) (the “Act”). The Infrastructure Bank is authorized and empowered pursuant to the Act to issue the Series 2007A Bonds, to loan the proceeds thereof to the Getty Trust, to secure the Series 2007A Bonds by a pledge of the amounts payable by the Getty Trust under the Loan Agreement and to enter into the Loan Agreement and the Indenture.

The Infrastructure Bank is governed by a five-member board of directors consisting of the Secretary of the Business, Transportation and Housing Agency of the State, who serves as the chair, the Director of Finance of the State, the Treasurer of the State, the Secretary of State and Consumer Services Agency and an appointee of the Governor of the State. The Infrastructure Bank has no taxing power.

The Series 2007A Bonds are special obligations of the Infrastructure Bank payable solely from Revenues and certain other funds pledged therefor under the Indenture. The Infrastructure Bank makes no representations with respect to the accuracy or completeness of the statements and information set forth herein other than the information set forth in this section entitled, “THE INFRASTRUCTURE BANK,” and in the subsection entitled, “ABSENCE OF MATERIAL LITIGATION – The Infrastructure Bank.”

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ESTIMATED SOURCES AND USES OF PROCEEDS

The estimated sources and uses of the proceeds of the Series 2007A Bonds are shown below.

SOURCES:

Principal Amount of Bonds.....	<u>\$270,475,000</u>
Total Sources	<u>\$270,475,000</u>

USES:

Refunding Prior Obligations ⁽¹⁾	\$268,282,510
Costs of Issuance ⁽²⁾	<u>\$ 2,192,490</u>
Total Uses	<u>\$270,475,000</u>

⁽¹⁾ See “PLAN OF REFUNDING – Refunding Prior Obligations.”

⁽²⁾ Costs of issuance include rating agency fees, legal fees, financial advisory fees, printing costs, underwriters’ discount, tender-related fees, issuer fees and other miscellaneous expenses.

THE PLAN OF REFUNDING

Refunding Prior Obligations

The Getty Trust issued \$250,000,000 aggregate principal amount of The J. Paul Getty Trust Taxable Bonds, Series 2003, in October 2003. The 2003 Taxable Bonds are fixed rate bonds. The proceeds of the 2003 Taxable Bonds were used to finance the costs of acquiring various objects of art, of constructing and installing various improvements to the Getty Trust’s facilities and costs related thereto.

On October 3, 2007, the Getty Trust commenced a tender offer (the “Tender Offer”) for any and all of the 2003 Taxable Bonds. The Getty Trust offered an early participation payment with respect to any 2003 Taxable Bonds tendered on or prior to 5:00 p.m. (New York City time) on October 17, 2007, unless extended (the “Early Participation Deadline”). As of the Early Participation Deadline, \$247,900,000 principal amount of the 2003 Taxable Bonds had been validly tendered and not withdrawn. The Tender Offer expires at 12:00 midnight (New York City time) on October 31, 2007, unless extended (the “Expiration Date”). The Getty Trust’s obligation to accept the 2003 Taxable Bonds pursuant to the Tender Offer is conditioned upon the consummation of this offering and certain other conditions.

The Series 2007A Bonds are being issued to provide funds that the Getty Trust will use to repurchase, pursuant to the Tender Offer, the 2003 Taxable Bonds tendered by the owners thereof on or before the Expiration Date and to advance refund any and all 2003 Taxable Bonds (if any) that are not tendered by the owners thereof in connection with the Tender Offer. In the event of an advance refunding of any 2003 Taxable Bonds, the Getty Trust will contribute any additional funds required to complete the legal defeasance of such 2003 Taxable Bonds.

The Getty Trust is pursuing the plan of refunding described herein, including the Tender Offer, in order to acquire all of the outstanding 2003 Taxable Bonds, extend maturities of the

Getty Trust's outstanding securities, provide the Getty Trust with greater financial flexibility and continue the Getty Trust's efforts to reduce its cost of capital.

Interest Rate Hedges

In connection with the issuance of the Series 2007A Bonds, the Getty Trust has entered into interest rate swap agreements (together, the "Interest Rate Swap Agreements") with each of Morgan Stanley Capital Services Inc. and Bear Stearns Financial Products Inc. (together, the "Swap Providers") in an aggregate notional amount equal to the aggregate principal amount of the Series 2007A Bonds, in order to place the aggregate carrying charges (including interest on the Series 2007A Bonds and net swap payments with respect to the Interest Rate Swap Agreements) on an effectively fixed rate basis. For information relating to the Interest Rate Swap Agreements, see APPENDIX A — "THE J. PAUL GETTY TRUST – THE GETTY TRUST FINANCIAL OPERATIONS – Outstanding Debt" attached hereto.

THE SERIES 2007A BONDS

ARS Rate Period

This Official Statement describes the Series 2007A Bonds only while they bear interest at Auction Period Rates. Investors should not rely upon the information in this Official Statement if the Series 2007A Bonds are converted to a Mode other than an Auction Mode. Rather, investors should rely upon the offering document used in connection with any such conversion.

General. The Infrastructure Bank will issue each Series of Bonds initially as auction rate securities or "ARS" in denominations of \$25,000 or any integral multiple thereof. The Series 2007A-1 Bonds and the Series 2007A-2 Bonds will bear interest from the date of delivery thereof to November 5, 2007 and November 1, 2007, respectively, each at an Initial Period Rate established by Morgan Stanley & Co. Incorporated prior to such date of delivery. The Series 2007A-3 Bonds and the Series 2007A-4 Bonds will bear interest from the date of delivery thereof to October 30, 2007 and October 31, 2007, respectively, each at an Initial Period Rate established by Bear, Stearns & Co. Inc. prior to such date of delivery. Thereafter, each Series of Bonds will bear interest for generally successive seven-day Auction Periods, until the Getty Trust elects to change the Auction Period for such Series or convert such Series of Bonds to another Mode, as described herein. Each Auction Period Rate for each Series of Bonds will, except in certain cases, equal the annual interest rate that results from the implementation of such Auction Procedures. Interest on each Series of Bonds will be payable on the applicable date set forth under "Initial Interest Payment Date" on the inside cover page hereof, and thereafter generally on the Business Day immediately following each Auction Period for such Series of Bonds (each, an "Interest Payment Date"). While each Series of Bonds bear interest at Auction Period Rates, a beneficial owner of a Series 2007A Bond may sell, transfer or dispose of a Series 2007A Bond only in accordance with the Auction Procedures or through the Broker-Dealers.

Payment of the principal of and interest and premium, if any, on any Series 2007A Bonds will be made by wire transfer by the Bond Trustee to DTC, to the account of Cede & Co. In the event the Series 2007A Bonds are no longer book-entry bonds, interest on the Series 2007A Bonds will be paid by the Bond Trustee on the applicable payment dates by wire transfer of

immediately available funds on the applicable Record Date to an account specified by the Owner thereof in writing delivered to the Bond Trustee and the principal at maturity will be paid by check at the Principal Corporate Office of the Bond Trustee. The Record Date with respect to the Series 2007A Bonds will be the Business Day immediately preceding each Interest Payment Date.

Auction Period Rate. So long as a Series of Bonds are ARS, such Series of Bonds will bear interest at rates established pursuant to the Auction Procedures described in APPENDIX D — “AUCTION PROCEDURES.” An “Auction Period” consists of a daily Auction Period, seven-day Auction Period, 28-day Auction Period, 35-day Auction Period, three-month Auction Period, six-month Auction Period or a Flexible Auction Period. Auctions for each Series of Bonds will be held on the applicable date set forth under “First Auction Date” on the inside cover page hereof, and thereafter generally on the Business Day next preceding each Interest Payment Date for such Series of Bonds. The Auction Period Rate will not exceed the Maximum Rate. Interest on each Series of Bonds will be computed on the basis of a 360-day year for the number of days actually elapsed if the ARS are in an Auction Period of 180 days or less. If the ARS are in an Auction Period which is greater than 180 days, interest will accrue on the basis of a 360-day year of twelve 30-day months. See APPENDIX D — “AUCTION PROCEDURES.”

Orders by Existing Owners and Potential Owners. The procedures for submitting orders prior to the Submission Deadline on each Auction Date are described in APPENDIX D hereto, as are the particulars with regard to the determination of the Auction Period Rate and the allocation of Series 2007A Bonds bearing interest at an Auction Period Rate.

Changes to Length of Auction Period. The Getty Trust, may, from time to time on the Interest Payment Date immediately following the end of any Auction Period, change the length of the Auction Period with respect to all of a Series of Bonds among a daily, seven-days, 28-days, 35-days, three months, six months or a Flexible Auction Period in order to accommodate economic and financial factors that may affect or be relevant to the length of the Auction Period and the interest rate borne by such Series of Bonds. The Getty Trust will initiate the change in the length of the Auction Period by giving written notice to the Bond Trustee, the Auction Agent, the Broker-Dealers and the Securities Depository. The change in length of the Auction Period will take effect only if Sufficient Clearing Bids exist at the Auction on the Auction Date for such new Auction Period. For purposes of the Auction for such new Auction Period only, except to the extent such Existing Owner submits an Order with respect to such Series of Bonds, each Existing Owner will be deemed to have submitted Sell Orders with respect to all of its Series 2007A Bonds within such series if the change is to a longer Auction Period and a Hold Order if the change is to a shorter Auction Period. If there are not Sufficient Clearing Bids for the first Auction Period, the Auction Rate for the new Auction Period will be the Maximum Rate, and the Auction Period will be a seven-day Auction Period. See APPENDIX D — “AUCTION PROCEDURES.”

Changes in Auction Date. During any ARS Rate Period, the Auction Agent, at the direction of the Getty Trust, may specify an earlier or later Auction Date (but in no event more than five Business Days earlier or later) than the Auction Date that would otherwise be determined in accordance with the definition of “Auction Date” in order to conform with then current market practice with respect to similar securities or to accommodate economic and financial factors that may affect or be relevant to the day of the week constituting an Auction Date and the interest rates borne by the Series of Bonds. The Auction Agent will provide notice

of the Getty Trust's direction to specify an earlier Auction Date for an Auction Period by means of a written notice delivered at least 45 days prior to the proposed changed Auction Date to the Bond Trustee, the Getty Trust, the Broker-Dealers and the Securities Depository. In the event the Auction Agent is instructed to specify an earlier or later Auction Date, the days of the week on which an Auction Period begins and ends, the day of the week on which an Auction Period ends and the Interest Payment Dates relating to such Auction Period will be adjusted accordingly. See APPENDIX D — "AUCTION PROCEDURES."

Converting Modes and Mandatory Tender for Purchase. The Getty Trust may elect to convert a Series of Bonds to another Mode. Upon such conversion, such Series of Bonds may bear interest in a Daily Mode, Weekly Mode, Commercial Paper Mode or Long-Term Mode. In order to effect such conversion, the Getty Trust will provide a written direction to the Bond Trustee, the Auction Agent and the Broker-Dealers of the election of the Getty Trust to convert the Series of Bonds to another Mode. The Bond Trustee will give notice by mail to the Holders of the Series of Bonds of a conversion of the Series of Bonds to another Mode not less than ten (10) days prior to the proposed effective date of such other Mode. A Favorable Opinion of Bond Counsel will be provided to the Bond Trustee, the Infrastructure Bank and the Getty Trust on the Mode Change Date. In the case of a conversion from the Auction Mode to another Mode, at anytime prior to 10:00 a.m. New York City time on the Business Day immediately preceding the Mode Change Date the Getty Trust may withdraw its notice of conversion and the Auction for such Series of Bonds will be held on such Auction Date as if no conversion notice had ever been given. If on a Mode Change Date the conversion notice has not been withdrawn as set forth in the preceding sentence and any condition precedent to such conversion has not been satisfied, the Bond Trustee will give notice by Electronic Means as soon as practicable and in any event not later than the next succeeding Business Day to the registered owner of the Series of Bonds to have been converted, the Infrastructure Bank, the Auction Agent and the Broker-Dealers that such conversion has not occurred, that the Series of Bonds will not be purchased on the failed Mode Change Date, that the Auction Agent will continue to implement the Auction Procedures on the Auction Dates with respect to such Series of Bonds which otherwise would have been converted excluding however, the Auction Date falling on the Business Day next preceding the failed Mode Change Date, and that the Mode will continue to be the Auction Mode; provided, however, that the interest rate borne by the Series of Bonds which otherwise would have been converted during the Auction Period commencing on such failed Mode Change Date will be the Maximum Rate, and the Auction Period will be the seven-day Auction Period.

As long as the Series of Bonds are ARS, the Series of Bonds are only subject to mandatory tender for purchase on the date of conversion to a Daily Mode, Weekly Mode, Commercial Paper Mode or Long-Term Mode at a purchase price equal to 100% of the principal amount thereof, plus accrued interest. For additional information regarding conversion of the Series 2007A Bonds, see APPENDIX C — "SUMMARY OF PRINCIPAL DOCUMENTS."

No conversion from the Auction Mode to another Mode shall take effect unless the remarketing proceeds available on the Mode Change Date shall be no less than the amount required to purchase all of the Series 2007A Bonds of such Series at the Purchase Price (unless the Getty Trust, in its sole discretion, elects to transfer to the Tender Agent the amount of such deficiency on or before the Mode Change Date).

Certain Investment Considerations Relating to Auction Rate Securities

This subsection of this Official Statement sets forth matters that potential investors should consider in connection with the purchase of the Series 2007A Bonds. The following discussion is not meant to present an exhaustive list of such matters and does not necessarily reflect the relative importance of such matters. Potential investors are advised to consider the following matters, along with all other information contained or incorporated by reference in this Official Statement, in evaluating whether to purchase the Series 2007A Bonds. For additional information regarding the Broker-Dealers and the Auction Agent, see also “BROKER-DEALERS AND AUCTION AGENT.”

Role of Broker-Dealers. Morgan Stanley & Co. Incorporated and Bear, Stearns & Co. Inc. (collectively, the “Broker-Dealers”) have been appointed by the Getty Trust to serve as a dealers in the Auctions for the Series 2007A Bonds and are paid by the Getty Trust for their services. The Broker-Dealers receive broker-dealer fees from the Getty Trust at an agreed-upon annual rate that is applied to the principal amount of each Series of Bonds sold or successfully placed through the applicable Broker-Dealer in such Auctions.

The Broker-Dealers are designated in the Broker-Dealer Agreements as the Broker-Dealers to contact Existing Owners and Potential Owners and solicit Bids for Series 2007A Bonds. Each Broker-Dealer will receive Broker-Dealer Fees from the Getty Trust with respect to the Series 2007A Bonds sold or successfully placed through it in Auctions for the Series 2007A Bonds. Each Broker-Dealer may share a portion of such fees with other dealers that submit Orders through it that are filled in the Auction for the Series 2007A Bonds.

Bidding by Broker-Dealers. Each Broker-Dealer is permitted, but not obligated, to submit Orders in Auctions for either Series of Bonds for its own account either as a buyer or seller and routinely does so in the auction rate securities market in its sole discretion. If such Broker-Dealer submits an Order for its own account, it would have an advantage over other Bidders because such Broker-Dealer would have knowledge of the other Orders placed through it in that Auction for the Series of Bonds and thus, could determine the rate and size of its Order so as to increase the likelihood that (i) its Order will be accepted in the Auction for the Series of Bonds and (ii) the Auction for the Series of Bonds will clear at a particular rate. For this reason, and because the Broker-Dealers are appointed and paid by the Getty Trust to serve as Broker-Dealers in the Auctions for the Series 2007A Bonds, the Broker-Dealers’ interests in serving as Broker-Dealer in an Auction for the Series 2007A Bonds may differ from those of Existing Owners and Potential Owners who participate in Auctions for the Series 2007A Bonds. See “Role of Broker-Dealer” above. Such Broker-Dealer would not have knowledge of Orders submitted to the Auction Agent by any other firm that is, or may in the future be, appointed to accept Orders pursuant to the Broker-Dealer Agreements.

The Broker-Dealers are the only Broker-Dealers appointed by the Getty Trust to serve as Broker-Dealer in the Auctions for the Series 2007A Bonds, and as long as that remains the case they will be the only Broker-Dealers that submit Orders to the Auction Agent in the Auctions for the Series 2007A Bonds. As a result, in such circumstances, the Broker-Dealers may discern the clearing rate before the Orders are submitted to the Auction Agent and set the clearing rate with their Orders with respect to the Series 2007A Bonds.

Each Broker-Dealer routinely places bids in auctions generally for its own account to acquire securities for its inventory, to prevent an “Auction Failure” (which occurs if there are insufficient clearing bids and results in the auction rate being set at the maximum rate) or to prevent an auction from clearing at a rate that such Broker-Dealer believes does not reflect the market for such securities. Each Broker-Dealer may place one or more Bids in an Auction for a Series of Bonds for its own account to acquire such Series 2007A Bonds for its inventory, to prevent an Auction Failure or to prevent Auctions for such Series of Bonds from clearing at a rate that such Broker-Dealer believes does not reflect the market for such Series of Bonds. Such Broker-Dealer may place such Bids even after obtaining knowledge of some or all of the other Orders submitted through it. When Bidding in an Auction for the Series of Bonds for its own account, such Broker-Dealer also may Bid inside or outside the range of rates that it posts in its Price Talk. See “Price Talk” below.

Each Broker-Dealer routinely encourages bidding by others in auctions generally for which it serves as broker-dealer. Each Broker-Dealer also may encourage bidding by others in Auctions for a Series of Bonds, including to prevent an Auction Failure or to prevent an Auction for such Series of Bonds from clearing at a rate that such Broker-Dealer believes does not reflect the market for such Series of Bonds. Such Broker-Dealer may encourage such Bids even after obtaining knowledge of some or all of the other Orders submitted through it.

Bids by each Broker-Dealer or by those it may encourage to place Bids are likely to affect (i) the Auction Rate – including preventing the Auction Period Rate from being set at the Maximum Rate or otherwise causing Bidders to receive a lower rate than they might have received had the Broker-Dealer not Bid or not encouraged others to Bid and (ii) the allocation of such Series of Bonds being auctioned – including displacing some Bidders who may have their Bids rejected or receive fewer of the Series of Bonds than they would have received if the Broker-Dealer had not Bid or encouraged others to Bid. Because of these practices, the fact that an Auction for a Series of Bonds clears successfully does not mean that an investment in such Series of Bonds involves no significant liquidity or credit risk. Neither Broker-Dealer is obligated to continue to place such Bids or to continue to encourage other Bidders to do so in any particular Auction for a Series of Bonds to prevent an Auction Failure or an Auction for such Series of Bonds from clearing at a rate such Broker-Dealer believes does not reflect the market for such Series of Bonds. Investors should not assume that Broker-Dealers will place Bids or encourage others to do so or that Auction Failures will not occur. Investors should also be aware that Bids by the Broker-Dealers or by those they may encourage to place Bids may cause lower Auction Period Rates to occur.

The statements herein regarding bidding by a Broker-Dealer apply only to a Broker-Dealer’s auction desk and any other business units of the Broker-Dealer that are not separated from the auction desk by an information barrier designed to limit inappropriate dissemination of bidding information.

In any particular Auction for a Series of Bonds, if all outstanding Series 2007A Bonds within such Series are the subject of Submitted Hold Orders, the Auction Rate for the next succeeding Auction Period will be the All Hold Rate (such a situation is called an “All Hold Auction”). If a Broker-Dealer holds any of the Series of Bonds for its own account on an Auction Date, it is the Broker-Dealer’s practice to submit a Sell Order into the Auction for such Series of Bonds with respect to such Series of Bonds, which would prevent that Auction for the Series of Bonds from being an All Hold Auction. The Broker-Dealer may, but is not obligated

to, submit Bids for its own account in that same Auction for the Series of Bonds, as set forth above.

Price Talk. Before the start of an Auction for a Series of Bonds, each Broker-Dealer, in its discretion, may make available to its customers who are Existing Owners and Potential Owners the Broker-Dealer's good faith judgment of the range of likely clearing rates for the Auction for the Series of Bonds based on market and other information. This is known as "Price Talk." Price Talk is not a guaranty that the Auction Rate established through the Auction for the Series of Bonds will be within the Price Talk, and Existing Owners and Potential Owners are free to use it or ignore it. The Broker-Dealers occasionally may update and change the Price Talk based on changes in the Getty Trust's credit quality or macroeconomic factors that are likely to result in a change in interest rate levels, such as an announcement by the Federal Reserve Board of a change in the Federal Funds rate or an announcement by the Bureau of Labor Statistics of unemployment numbers. The Broker-Dealers will use their best efforts to communicate this information in a manner reasonably designed to make it available to all Existing Owners and Potential Owners that were given the original Price Talk. Existing Owners and Potential Owners should confirm with their Broker-Dealer the manner by which the Broker-Dealer will communicate Price Talk and any changes to Price Talk.

"All-or-Nothing" Bids. Neither Broker-Dealer will accept "all-or-nothing" Bids (i.e., Bids whereby the Bidder proposes to reject an allocation smaller than the entire quantity Bid) or any other type of Bid that allows the Bidder to avoid Auction Procedures that require the pro rata allocation of the Series of Bonds where there are not sufficient Sell Orders to fill all Bids at the Winning Bid Rate.

No Assurances Regarding Auction Outcomes. Neither the Getty Trust nor either Broker-Dealer provides assurance as to the outcome of any Auction. Neither the Getty Trust nor either Broker-Dealer provide any assurance that any Bid will be successful, in whole or in part, or that the Auction for the Series of Bonds will clear at a rate that a Bidder considers acceptable. Bids may be only partially filled, or not filled at all, and the Auction Rate on any Series of Bonds purchased or retained in the Auction for the Series of Bonds may be lower than the market rate for similar investments.

Neither Broker-Dealer will agree before an Auction to buy Series 2007A Bonds from or sell Series 2007A Bonds to a customer after the Auction.

Deadlines. Each particular Auction for each Series of Bonds has a formal deadline by which all Bids must be submitted by the Broker-Dealers to the Auction Agent. This deadline is called the "Submission Deadline." To provide sufficient time to process and submit customer Bids to the Auction Agent before the Submission Deadline, each Broker-Dealer imposes an earlier deadline for all customers – called the "Broker-Dealer Deadline" – by which Bidders must submit Bids to such Broker-Dealer. The Broker-Dealer Deadline is subject to change by such Broker-Dealer. The Broker-Dealers will use their best efforts to make this information available by means reasonably expected to reach Existing Owners and Potential Owners. Existing Owners and Potential Owners should consult with each Broker-Dealer as to its Broker-Dealer Deadline. Each Broker-Dealer may correct Clerical Errors by such Broker-Dealer after the Broker-Dealer Deadline and prior to the Submission Deadline. Each Broker-Dealer may submit Bids for its own account at any time until the Submission Deadline and may change Bids it has submitted for its own account at any time until the Submission Deadline. The Auction

Procedures provide that until one hour after the Auction Agent completes the dissemination of the results of an Auction, new Orders can be submitted to the Auction Agent if such Orders were received by the Broker-Dealer or generated by the Broker-Dealer for its own account prior to the Submission Deadline and the failure to submit such Orders prior to the Submission Deadline was the result of force majeure, a technological failure or a Clerical Error. In addition until one hour after the Auction Agent completes the dissemination of the results of an Auction, a Broker-Dealer may modify or withdraw an Order submitted to the Auction Agent prior to the Submission Deadline if such Broker-Dealer determines that such Order contained a Clerical Error. In the event of such a submission, modification or withdrawal, the Auction Agent will rerun the Auction, if necessary, taking into account such submission, modification or withdrawal.

Existing Owner's Ability to Resell Auction Rate Securities May Be Limited. An Existing Owner may sell, transfer or dispose of a Series 2007A Bond (i) in an Auction for such Series of Bonds, only pursuant to a Bid or Sell Order in accordance with the Auction Procedures, or (ii) outside an Auction for such Series of Bonds, only to or through a Broker-Dealer.

Existing Owners will be able to sell all of the Series 2007A Bonds that are the subject of their Submitted Sell Orders only if there are Bidders willing to purchase all those Series 2007A Bonds in the Auction for the Series of Bonds. If Sufficient Clearing Bids have not been made, Existing Owners that have submitted Sell Orders will not be able to sell in the Auction for the Series of Bonds all, and may not be able to sell any, of the Series 2007A Bonds within such Series subject to such Submitted Sell Orders. As discussed above (see "Bidding by Broker-Dealer"), the Broker-Dealer may submit a Bid in an Auction for the Series of Bonds to avoid an Auction Failure, but it is not obligated to do so. There may not always be enough Bidders to prevent an Auction Failure in the absence of the Broker-Dealer bidding in the Auction for the Series of Bonds for its own account or encouraging others to Bid. Therefore, Auction Failures are possible, especially if the Getty Trust's credit were to deteriorate, if a market disruption were to occur or if, for any reason, the Broker-Dealer were unable or unwilling to Bid.

Between Auctions for the Series of Bonds, there can be no assurance that a secondary market for either Series of Bonds will develop or, if it does develop, that it will provide Existing Owners the ability to resell the Series 2007A Bonds within such Series on the terms or at the times desired by an Existing Owner. Each Broker-Dealer, in its own discretion, may decide to buy or sell Series 2007A Bonds in the secondary market for its own account from or to investors at any time and at any price, including at prices equivalent to, below, or above par for such Series 2007A Bonds. However, neither Broker-Dealer is obligated to make a market in the Series 2007A Bonds and may discontinue trading in either Series of Bonds without notice for any reason at any time. Existing Owners who resell between Auctions for the Series 2007A Bonds may receive an amount less than par, depending on market conditions.

If an Existing Owner purchased a Series 2007A Bond through a dealer which is not one of the Broker-Dealers for the Series 2007A Bonds, such Existing Owner's ability to sell its Series 2007A Bonds may be affected by the continued ability of its dealer to transact trades for the Series 2007A Bonds through the Broker-Dealer.

The ability to resell the Series 2007A Bonds will depend on various factors affecting the market for the Series 2007A Bonds, including news relating to the Getty Trust, the attractiveness of alternative investments, investor demand for short term securities, the perceived risk of owning the Series 2007A Bonds (whether related to credit, liquidity or any other risk), the tax or

accounting treatment accorded the Series 2007A Bonds (including U.S. generally accepted accounting principles as they apply to the accounting treatment of auction rate securities), reactions of market participants to regulatory actions (such as those described in “Securities and Exchange Commission Settlements” below) or press reports, financial reporting cycles and market conditions generally. Demand for the Series 2007A Bonds may change without warning, and declines in demand may be short-lived or continue for longer periods.

Resignation of the Auction Agent or the Broker-Dealers Could Impact the Ability to Hold Auctions. The Auction Agreement provides that the Auction Agent may resign from its duties as Auction Agent by giving at least 60 days’ prior written notice to the Bond Trustee and the Getty Trust (or at least 30 days’ prior written notice, if any fees are owing to the Auction Agent) and does not require, as a condition to the effectiveness of such resignation, that a replacement Auction Agent be in place. Each Broker-Dealer Agreement provides that the Broker-Dealers thereunder may resign upon five business days’ notice to the Auction Agent or suspend their duties immediately, in certain circumstances, and does not require, as a condition to the effectiveness of such resignation or suspension, that a replacement Broker-Dealer be in place. Each Broker-Dealer Agreement also provides that such Broker-Dealer Agreement terminates upon any termination of the Auction Agreement. For any Auction Period during which there is no duly appointed Auction Agent or Broker-Dealer, it will not be possible to hold Auctions for the Series of Bonds, with the result that the interest rate on such Series of Bonds will be determined as described in APPENDIX D — “AUCTION PROCEDURES – Determination of Auction Period Rates.”

Securities and Exchange Commission Settlements. On May 31, 2006, the U.S. Securities and Exchange Commission (the “SEC”) announced that it had settled its investigation of fifteen firms (the “Settling Broker-Dealers”), including Morgan Stanley & Co. Incorporated and Bear, Stearns & Co. Inc., that participate in the auction rate securities market regarding their respective practices and procedures in this market. The SEC alleged in the settlement that the firms had managed auctions for auction rate securities in which they participated in ways that were not adequately disclosed or that did not conform to disclosed auction procedures. As part of the settlement, the Settling Broker-Dealers agreed to pay civil penalties. In addition, each Settling Broker-Dealer, without admitting or denying the SEC’s allegations, agreed to provide to customers written descriptions of its material auction practices and procedures and to implement procedures reasonably designed to detect and prevent any failures by that Settling Broker-Dealer to conduct the auction process in accordance with disclosed procedures.

In addition on January 9, 2007, the SEC announced that it had settled its investigation of three banks (the “Settling Auction Agents”), including The Bank of New York, that participate as auction agents in the auction rate securities market, regarding their respective practices and procedures in this market. The SEC alleged in the settlement that the Settling Auction Agents allowed broker-dealers in auctions to submit bids or revise bids after the submission deadlines and allowed broker-dealers to intervene in auctions in ways that may have affected the rates paid on the auction rate securities. As part of the settlement, the Settling Auction Agents agreed to pay civil penalties. In addition, each Settling Auction Agent, without admitting or denying the SEC’s allegations, agreed to provide to broker-dealers and issuers written descriptions of its material auction practices and procedures and to implement procedures reasonably designed to detect and prevent any failures by that Settling Auction Agent to conduct the auction process in accordance with disclosed procedures.

Redemption

Optional Redemption. During an ARS Rate Period, the Series 2007A Bonds are subject to redemption, at the option of the Getty Trust, in whole or in part on the Interest Payment Date immediately following the end of an Auction Period at a redemption price equal to the principal amount of the Series 2007A Bonds called for redemption, without premium, provided that a partial redemption of such Series 2007A Bonds must be done such that remaining Outstanding Bonds of such Series 2007A Bonds will remain in authorized denominations; provided further that after any optional redemption there should be not less than \$10,000,000 in aggregate principal amount of any Series 2007A Bonds bearing interest at Auction Period Rates unless otherwise consented to by the Broker-Dealers. All redemptions should be in integral multiples of \$25,000.

Mandatory Sinking Account Redemption. The Series 2007A Bonds are also subject to redemption prior to their stated maturity date, in part, from Mandatory Sinking Account Payments deposited in the Principal Fund pursuant to the Indenture on October 1 of each of the years and in the principal amounts set forth below, together with interest accrued thereon to the date fixed for redemption, without premium.

Series 2007A-1 Mandatory Sinking Account Payments

Mandatory Sinking Account Payment Date <u>(October 1)</u>	Mandatory Sinking Account Payment
2043	\$15,075,000
2044	\$15,625,000
2045	\$16,200,000
2046	\$16,825,000
2047*	\$17,425,000

* Maturity Date

Series 2007A-2 Mandatory Sinking Account Payments

Mandatory Sinking Account Payment Date <u>(October 1)</u>	Mandatory Sinking Account Payment
2043	\$15,075,000
2044	\$15,600,000
2045	\$16,200,000
2046	\$16,825,000
2047*	\$17,425,000

* Maturity Date

Series 2007A-3 Mandatory Sinking Account Payments

<u>Mandatory Sinking Account Payment Date (October 1)</u>	<u>Mandatory Sinking Account Payment</u>
2043	\$10,025,000
2044	\$10,425,000
2045	\$10,825,000
2046	\$11,200,000
2047*	\$11,625,000

* Maturity Date

Series 2007A-4 Mandatory Sinking Account Payments

<u>Mandatory Sinking Account Payment Date (October 1)</u>	<u>Mandatory Sinking Account Payment</u>
2043	\$10,025,000
2044	\$10,425,000
2045	\$10,800,000
2046	\$11,200,000
2047*	\$11,650,000

* Maturity Date

Notwithstanding the foregoing, if the scheduled Mandatory Sinking Account Payment date is not an Interest Payment Date, Series 2007A Bonds will be redeemed on the Interest Payment Date immediately preceding the scheduled Mandatory Sinking Account Payment date. Series 2007A Bonds in a Flexible Auction Period may be redeemed prior to the end of the Flexible Auction Period pursuant to the sinking fund redemption schedule. All redemptions should be in integral multiples of \$25,000.

Selection of Bonds for Redemption. Whenever provision is made in the Indenture for the redemption of less than all of a Series of Bonds outstanding or any given portion thereof, the Bond Trustee will select the Series 2007A Bonds to be redeemed, from all Series 2007A Bonds subject to redemption or such given portion thereof not previously called for redemption, by lot in any manner which the Bond Trustee in its sole discretion deems appropriate.

Notice of Redemption. Notice of redemption will be mailed by the Bond Trustee by first class mail, not less than fifteen (15) days, nor more than sixty (60) days prior to the redemption date, to the Infrastructure Bank and the respective Holders of any Series 2007A Bonds

designated for redemption at their addresses appearing on the bond registration books of the Bond Trustee. If the Series 2007A Bonds are no longer held by the Securities Depository or its successor or substitute, the Bond Trustee will also give notice of redemption by overnight mail or by other acceptable means to such securities depositories and/or securities information services as will be designated in a Certificate of the Getty Trust. Each notice of redemption will state the date of such notice, the date of issue of the Series 2007A Bonds, the redemption date, the Redemption Price, the place or places of redemption (including the name and appropriate address or addresses of the Bond Trustee), the maturity (including CUSIP numbers, if any), and, in the case of a Series of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice will also state that on said date there will become due and payable on each of said Series 2007A Bonds the Redemption Price thereof or of said specified portion of the principal amount thereof in the case of a Series 2007A Bond of a Series to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon will cease to accrue, and will require that such Series 2007A Bonds be then surrendered.

In the event of a redemption or defeasance, notice of such redemption or defeasance will comply with the following requirements. The Bond Trustee will notify the Auction Agent by Electronic Means of any notice of redemption or defeasance on the date received from the Getty Trust and prior to sending the notice to the Securities Depository as Holder of the Series 2007A Bonds. In the case of a partial redemption or defeasance, the Bond Trustee will verify with the Auction Agent by Electronic Means the lottery publication date to be used in the notice. The Bond Trustee will then send the notice of redemption or defeasance to the Securities Depository.

If the Bond Trustee and the Auction Agent are unable to verify a lottery publication date prior to sending the notice of redemption or defeasance to the Securities Depository, then such notice will include, under an item entitled "Publication Date for Securities Depository Purposes," the Securities Depository lottery publication date applicable to such Series 2007A Bonds, which date will be two (2) Business Days after the second Auction Date that immediately precedes the date specified in such notice as the date fixed for the redemption or defeasance of such Series 2007A Bonds (the "Redemption/Defeasance Date") (three (3) Business Days immediately preceding such Redemption/Defeasance Date in the case of Series 2007A Bonds in the daily Auction Period).

On the lottery publication date prior to the Redemption/Defeasance Date with respect to such Series 2007A Bonds, the Bond Trustee will request the lottery results from the Securities Depository. Upon receipt, the Bond Trustee will notify the Auction Agent by Electronic Means of such lottery results, i.e. the identities of the Participants and the respective principal amounts from the accounts of Series 2007A Bonds which have been called for redemption or defeasance. At least two (2) Business Days prior to the Redemption/Defeasance Date with respect to Series 2007A Bonds being partially redeemed or defeased, the Auction Agent will request each eligible Broker-Dealer to disclose to the Auction Agent (upon selection by such participant of the Existing Owners whose Series 2007A Bonds are to be redeemed or defeased) the aggregate principal amount of such Series 2007A Bonds of each such Existing Owner, if any, to be redeemed or defeased. By the close of business on the day the Auction Agent receives any notice pursuant to this paragraph, the Auction Agent will forward the contents of such notice to the related Broker-Dealer by Electronic Means.

Notice of redemption of the Series 2007A Bonds will be given by the Bond Trustee, at the expense of the Getty Trust, for and on behalf of the Infrastructure Bank.

Failure by the Bond Trustee to give notice to any one or more of the securities information services or depositories designated by the Getty Trust, or the insufficiency of any such notice will not affect the sufficiency of the proceedings for redemption. Failure by the Bond Trustee to mail notice of redemption pursuant to the Indenture to any one or more of the respective Holders of any Series 2007A Bonds designated for redemption will not affect the sufficiency of the proceedings for redemption with respect to the Holders to whom such notice was mailed.

The Getty Trust may instruct the Bond Trustee to provide a conditional notice of redemption, which may be conditioned upon the receipt of moneys or any other event. Additionally, any notice of optional redemption given pursuant to the Indenture may be rescinded by written notice given to the Bond Trustee by the Getty Trust no later than five (5) Business Days prior to the date specified for redemption. The Bond Trustee will give notice of such rescission, as soon thereafter as practicable, in the same manner, to the same persons, as notice of such redemption was given pursuant to the Indenture.

Effect of Redemption. Notice of redemption having been duly given, and moneys for payment of the Redemption Price of, together with interest accrued to the date fixed for redemption on, a Series of Bonds (or portions thereof) so called for redemption being held by the Bond Trustee, on the date fixed for redemption designated in such notice, such Series 2007A Bonds (or portions thereof) so called for redemption will become due and payable at the Redemption Price specified in such notice and interest accrued thereon to the date fixed for redemption, interest on such Series 2007A Bonds so called for redemption will cease to accrue, said Series 2007A Bonds (or portions thereof) will cease to be entitled to any benefit or security under the Indenture, and the Holders of said Series 2007A Bonds will have no rights in respect thereof except to receive payment of said Redemption Price and accrued interest to the date fixed for redemption from funds held by the Bond Trustee for such payment.

Mandatory Purchase upon Conversion of Mode

The Series 2007A Bonds will be subject to mandatory tender for purchase upon a conversion to a Mode other than Auction Mode; provided certain conditions to conversion are satisfied, all as described herein. See “ARS Rate Period - Converting Modes and Mandatory Tender for Purchase” above. For additional information regarding conversion of the Series 2007A Bonds, see APPENDIX C — “SUMMARY OF PRINCIPAL DOCUMENTS – THE INDENTURE – Changes in Mode.”

No Purchase of Bonds on Demand of Owner

While any Series of Bonds bears interest in the Auction Mode, such Series 2007A Bonds will not be subject to optional tender for purchase.

SECURITY FOR THE SERIES 2007A BONDS

General

THE SERIES 2007A BONDS ARE LIMITED OBLIGATIONS OF THE INFRASTRUCTURE BANK AND ARE NOT A LIEN OR CHARGE UPON THE FUNDS OR PROPERTY OF THE INFRASTRUCTURE BANK, EXCEPT TO THE EXTENT OF THE PLEDGE AND ASSIGNMENT OF REVENUES AND FROM CERTAIN AMOUNTS HELD UNDER THE INDENTURE. NEITHER THE STATE OF CALIFORNIA NOR THE INFRASTRUCTURE BANK SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF THE SERIES 2007A BONDS, PREMIUM, IF ANY, OR THE INTEREST THEREON, EXCEPT FROM REVENUES RECEIVED BY THE INFRASTRUCTURE BANK. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2007A BONDS. THE INFRASTRUCTURE BANK HAS NO TAXING POWER. THE SERIES 2007A BONDS ARE NOT A DEBT OF THE STATE OF CALIFORNIA AND SAID STATE IS NOT LIABLE FOR PAYMENT THEREOF. ALTHOUGH THE SERIES 2007A BONDS ARE ISSUED BY THE INFRASTRUCTURE BANK, THE SERIES 2007A BONDS SHOULD BE VIEWED FOR CREDIT PURPOSES AS DIRECT OBLIGATIONS OF THE GETTY TRUST.

The Indenture provides that the Revenues and any other amounts (including proceeds of the sale of the Series 2007A Bonds) held in the funds or accounts established pursuant to the Indenture (other than the Rebate Fund and the Purchase Fund) are pledged to the Series 2007A Bonds. The Indenture provides that such pledge will constitute a lien on and security interest in such assets and will attach, be perfected and be valid and binding from and after delivery by the Bond Trustee of the Series 2007A Bonds, without any physical delivery thereof or further act. "Revenues" is defined under the Indenture as all amounts received by the Infrastructure Bank or the Bond Trustee for the account of the Infrastructure Bank pursuant or with respect to the Loan Agreement, including, without limiting the generality of the foregoing, Loan Repayments (including both timely and delinquent payments and any late charges, and whether paid from any source), prepayments and all interest, profits or other income derived from the investment of amounts in any fund or account established pursuant to the Indenture, but not including any Additional Payments (described below) or any moneys required to be deposited in the Rebate Fund.

Under the Indenture, the Infrastructure Bank transfers in trust, grants a security interest in and assigns to the Bond Trustee in trust, for the benefit of the Holders from time to time of the Series 2007A Bonds, all of the Revenues and other assets pledged in the Indenture and all of the right, title and interest of the Infrastructure Bank in the Loan Agreement (except for Reserved Rights). The Bond Trustee will be entitled to and will, subject to the provisions of the Indenture, collect and receive all of the Revenues, and any Revenues collected or received by the Infrastructure Bank will be deemed to be held, and to have been collected or received, by the Infrastructure Bank as the agent of the Bond Trustee and will forthwith be paid by the Infrastructure Bank to the Bond Trustee. The Bond Trustee also will be entitled to and will, subject to the provisions of the Indenture, take all steps, actions and proceedings reasonably

necessary in its judgment to enforce all of the rights of the Infrastructure Bank and all of the obligations of the Getty Trust under the Loan Agreement other than Reserved Rights.

All Revenues will be promptly deposited by the Bond Trustee upon receipt thereof in a special fund designated as the “Revenue Fund” which the Bond Trustee will establish, maintain and hold in trust, except as otherwise provided in the Indenture and except that all moneys received by the Bond Trustee and required by the Loan Agreement to be deposited in the Corporate Deposit Account of the Purchase Fund and the Redemption Fund will be promptly deposited in such Fund. All Revenues deposited with the Bond Trustee will be held, disbursed, allocated and applied by the Bond Trustee only as provided in the Indenture.

Loan Agreement

The Infrastructure Bank has agreed to lend to the Getty Trust the proceeds received from the sale of the Series 2007A Bonds, such proceeds to be applied under the terms and conditions of the Loan Agreement and the Indenture. In consideration of the loan of such proceeds to the Getty Trust, the Getty Trust has agreed to pay, or cause to be paid, “Loan Repayments” on or before the Business Day prior to each Interest Payment Date and each Principal Payment Date in the amounts necessary to enable the Bond Trustee to make the transfers required on such Interest Payment Dates and Principal Payment Dates, respectively, by the Indenture. Notwithstanding the foregoing, the Getty Trust has agreed to make payments, or cause payments to be made, at the times and in the amounts required to be paid as principal of, premium, if any and interest on the Series 2007A Bonds from time to time Outstanding under the Indenture and other amounts required to be paid under the Indenture, as the same will become due whether at maturity, upon redemption, by declaration of acceleration or otherwise.

The Getty Trust’s obligation to make payments under the Loan Agreement is an unsecured, general obligation of the Getty Trust. None of the property, assets or revenues of the Getty Trust, including without limitation the art collections of the Getty Trust, will be pledged as security for the payment of the Series 2007A Bonds. In addition, the Loan Agreement does not contain any financial covenants limiting the ability of the Getty Trust to incur indebtedness, encumber or dispose of its property or merge with any other entity, or any covenants requiring the Getty Trust to produce revenues at any specified level or to obtain any insurance with respect to its property or operations.

Additional Payments

In addition to Loan Repayments, the Getty Trust will also pay to the Infrastructure Bank, the Bond Trustee, the Auction Agent or the Broker-Dealers, as the case may be, “Additional Payments,” as follows: (a) all taxes and assessments of any type or character charged to the Infrastructure Bank or to the Bond Trustee affecting the amount available to the Infrastructure Bank or the Bond Trustee from payments to be received under the Loan Agreement or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Bond Trustee and taxes based upon or measured by the capital or income or net income of the Bond Trustee; provided, however, that the Getty Trust will have the right to

protest any such taxes or assessments which it in good faith believes are not due and owing and to require the Infrastructure Bank or the Bond Trustee, at the Getty Trust's expense, to protest and contest any such taxes or assessments levied upon them and that the Getty Trust will have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Infrastructure Bank, the Holders or the Bond Trustee under the Loan Agreement, the Indenture or otherwise with respect to the Series 2007A Bonds; (b) all reasonable fees, charges, expenses and indemnities (as set forth in certain sections of the Loan Agreement) of the Bond Trustee under the Loan Agreement and under the Indenture, as and when the same become due and payable; (c) the reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Infrastructure Bank or the Bond Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under the Loan Agreement or the Indenture; (d) the fees and costs of the Infrastructure Bank; (e) an annual fee payable to the Infrastructure Bank; (f) the reasonable fees and expenses of the Auction Agent and the Broker-Dealers due under the Auction Agreement and Broker-Dealer Agreements; and (g) all other reasonable and necessary fees and expenses attributable to the Loan Agreement.

CERTAIN INVESTMENT CONSIDERATIONS

The following are certain investment considerations and risk factors that have been identified by the Getty Trust and should be carefully considered by prospective purchasers of the Series 2007A Bonds. The following list should not be considered to be exhaustive and has been prepared by the Getty Trust within the context of this Official Statement, including APPENDIX A — “THE J. PAUL GETTY TRUST” and APPENDIX B — “FINANCIAL STATEMENTS OF THE J. PAUL GETTY TRUST FOR THE YEARS ENDING JUNE 30, 2006 AND 2005” attached hereto. Investors should read APPENDIX A and APPENDIX B in their entirety. Inclusion of certain factors below is not intended to signify that there are not other investment considerations or risks attendant to the Series 2007A Bonds that are as material to an investment decision with respect to the Series 2007A Bonds that are otherwise described or apparent elsewhere herein.

General

Under the Loan Agreement, the principal of and interest on the Series 2007A Bonds is payable from Loan Repayments made by the Getty Trust. The obligations of the Getty Trust to pay Loan Repayments securing the Series 2007A Bonds is an unsecured general obligation of the Getty Trust. None of the property, assets or revenues of the Getty Trust, including without limitation the art collections of the Getty Trust, will be pledged as security for the payment of the Series 2007A Bonds. In addition, the Loan Agreement does not contain any financial covenants limiting the ability of the Getty Trust to incur indebtedness, encumber or dispose of its property or merge with any other entity, or any covenants requiring the Getty Trust to produce revenues at any specified level or to obtain any insurance with respect to its property or operations. The net revenues from the Getty Trust's operations (including the J. Paul Getty Museum, which does not charge for admission) do not contribute materially to the financial position of the Getty Trust. The most significant factor with respect to the ratings on the Series 2007A Bonds is the Getty Trust's unrestricted reserves and portfolio of investments. A significant decrease in the value of the unrestricted reserves or investments of the Getty Trust could have a material adverse impact

on its ability to pay the Loan Repayments, the market value of the Series 2007A Bonds and any rating on the Series 2007A Bonds.

Tax-Exempt Status

Tax-Exempt Status of Interest on the Series 2007A Bonds. The Internal Revenue Code of 1986, as amended (the “Code”), imposes a number of requirements that must be satisfied for interest on state and local obligations, such as the Series 2007A Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of Series 2007A Bond proceeds, limitations on the investment earnings of the Series 2007A Bond proceeds prior to expenditure, a requirement that certain investment earnings on Bond proceeds be paid periodically to the United States and a requirement that issuers file an information report with the Internal Revenue Service (the “IRS”). The Infrastructure Bank and the Getty Trust have covenanted in certain of the documents referred to herein that they will comply with such requirements. Failure by the Getty Trust to comply with the requirements stated in the Code and related regulations, rulings and policies may result in the treatment of interest on the Series 2007A Bonds as taxable, retroactively to the date of original issuance of the Series 2007A Bonds. The Series 2007A Bonds are not subject to mandatory redemption and the rate of interest on the Series 2007A Bonds is not subject to adjustment if the interest on the Series 2007A Bonds is determined to be included in gross income for the purposes of federal income taxation.

The IRS Tax Exempt and Government Entities Division (the “TE/GE Division”) has a subdivision that is specifically devoted to tax-exempt bond compliance. The Getty Trust has not sought to obtain a private letter ruling from the IRS with respect to the Series 2007A Bonds, and the opinion of Orrick, Herrington & Sutcliffe LLP is not binding on the IRS. An IRS examination of the Series 2007A Bonds could adversely affect the market value of the Series 2007A Bonds. See “TAX MATTERS” herein.

Tax-Exempt Status of the Getty Trust. The tax-exempt status of interest on the Series 2007A Bonds presently depends upon the maintenance by the Getty Trust of its status as an organization described in Section 501(c)(3) of the Code. The maintenance of the Getty Trust’s status as such an organization is contingent upon compliance with general rules promulgated in the Code and related regulations regarding the organization and operation of tax-exempt entities, including their operation for charitable purposes and their avoidance of transactions which may cause their earnings or assets to inure to the benefit of private individuals. In addition, the Getty Trust is a private operating foundation within the meaning of Sections 509(a) and 4942(j)(3) of the Code. The Code imposes on private foundations separate rules, which are not applicable to other tax-exempt entities, relating to expenditures and other matters. Compliance with the general rules for tax-exempt entities and the separate private foundation rules requires a high level of administrative oversight.

As a result of ongoing IRS audit programs, tax-exempt organizations are increasingly subjected to a high level of scrutiny. One penalty available to the IRS under the Code with respect to a tax-exempt charity engaged in unlawful, private benefit or political activity is the revocation of tax-exempt status. Although the IRS has not frequently revoked the tax-exempt status of nonprofit corporations or trusts, it could do so in the future. Loss of tax-exempt status of

the Getty Trust would most likely result in loss of tax exemption of interest on the Series 2007A Bonds and of other tax-exempt debt would likely be triggered. Loss of tax-exempt status of the Getty Trust would also have material adverse consequences on the financial condition of the Getty Trust.

Since 1990, the Employee Plans and Exempt Organizations Division (now known as the Tax Exempt and Government Entities Division) of the IRS has conducted Coordinated Examination Program (“CEP”) audits of certain large tax-exempt organizations. Teams of revenue agents conduct CEP audits, which often take years to complete, and require the expenditure of significant staff time by both the IRS and the organization under audit. The CEP audit teams that examine tax-exempt organizations consider examining a wide range of possible issues, including compensation of officers and other officials, contracting, retirement plans and employee benefits, and unrelated business income.

Unrelated Business Income. In recent years, the IRS, the State, county and local taxing authorities have been undertaking audits and reviews of the operations of tax-exempt organizations with respect to their exempt activities and the generation of unrelated business taxable income (“UBTI”). The Getty Trust has historically generated UBTI, and is expected to participate in activities which generate UBTI in the future. Management of the Getty Trust believes it has properly accounted for and reported UBTI; nevertheless, an investigation or audit could lead to a challenge which could result in taxes, interest and penalties with respect to unreported UBTI and in some cases could ultimately affect the tax-exempt status of the Getty Trust as well as the exclusion from gross income for federal income tax purposes of the interest on the Series 2007A Bonds and other tax-exempt debt of the Getty Trust, if any.

State Regulation. Charitable organizations like the Getty Trust are also subject to oversight and regulation by the State Attorney General and State taxing authorities. While California has not been as active as the IRS in scrutinizing the income tax exemption of organizations, this does not preclude future State scrutiny, and it is likely that the loss by the Getty Trust of federal tax exemption would also trigger a challenge to State tax exemption of the Getty Trust. Depending on the circumstances, such an event could be adverse and material.

Exemption from Property Taxes. In recent years, the State, county and local taxing authorities have been undertaking audits and reviews of the operations of tax-exempt organizations with respect to their real and personal property tax exemptions. The Getty Trust believes that substantially all of the Getty Center, the Getty Villa and The J. Paul Getty Museum collections are and will continue to be exempt from State property taxation, including possessory interest taxes. The loss by the Getty Trust of its State property tax exemptions could be adverse and material.

Investment of Funds Risk

The endowment of the Getty Trust is invested pursuant to investment policies approved from time to time by its Board of Trustees (the “Board”). As part of its annual budgeting process, the Board approves a spending level equal to a specified percentage (currently no more than 5%) of the rolling three-year average value of the investment portfolio, based on the market value of the portfolio at each month-end. The amount authorized for expenditure is reflected on

the statements of activities as “endowment funds used for operations,” and is set at a level that is intended to preserve the long-term purchasing power of the Getty Trust’s endowment.

The Board has established an investment policy statement to guide the management and investment of the portfolio. See APPENDIX A — “THE J. PAUL GETTY TRUST – THE GETTY TRUST FINANCIAL OPERATIONS – Investments” attached hereto.

All investments made by the Getty Trust entail risks. Such risks include, but are not limited to, a lower rate of return than expected, loss of market value and delayed receipt or loss of principal due to illiquidity of particular investments or other factors. The net revenues from the Getty Trust’s operations do not contribute materially to the Getty Trust’s financial position. Losses resulting from these or other investment risks could therefore have a material adverse effect on the Getty Trust’s ability to pay the Series 2007A Bonds. The Getty Trust calculates the net realized and unrealized gains (losses) on investments and interest rate hedges, after adding interest and dividend income and subtracting investment fees, during fiscal years 2003, 2004, 2005 and 2006 to be \$85,398,000, \$691,947,000, \$518,285,000 and \$800,394,000, respectively. See APPENDIX A — “THE J. PAUL GETTY TRUST – THE GETTY TRUST FINANCIAL OPERATIONS – Operating Performance” attached hereto.

Further, the Getty Trust regularly invests a portion of its endowment in derivative financial instruments such as interest rate swaps and lends securities from its portfolio. Derivative financial instruments such as interest rate swaps and securities lending may have a higher degree of risk than other types of investment activities. Risks of interest rate swap agreements include the risks that the swap counterparties may fail or be unable to perform, that interest rates may vary from assumptions and that the Getty Trust may be required to make significant payments in the event of an early termination of an interest rate swap. The Getty Trust has entered into interest rate swap agreements in connection with its indebtedness. See APPENDIX A — “THE J. PAUL GETTY TRUST – THE GETTY TRUST FINANCIAL OPERATIONS – Outstanding Debt – Interest Rate Swap Agreements” attached hereto. Risks of securities lending arrangements include the risks that the securities borrower may fail to perform its obligations or become insolvent and that collateral provided by the securities borrower may be inadequate or subject to the claims of other creditors of the borrower.

A portion of the Getty Trust’s endowment is or may be invested in illiquid assets or alternate investments, including investments in real property assets, hedge funds and equity securities in companies that are not publicly traded. Each of these types of alternative investments entails risk. These alternative investments may not be readily liquidated. Additionally, among other risks, hedge funds may be leveraged, may experience volatile performance and involve a risk of loss of principal. Hedge funds are subject to limited disclosure requirements by virtue of being privately held.

See APPENDIX A — “THE J. PAUL GETTY TRUST – THE GETTY TRUST FINANCIAL OPERATIONS – Investments” attached hereto for a description of the investment of the Getty Trust’s funds.

See APPENDIX B — “FINANCIAL STATEMENTS OF THE J. PAUL GETTY TRUST FOR THE YEARS ENDING JUNE 30, 2006 AND 2005” attached hereto, for a

summary of the investments, including derivative financial instruments and other investments held by the Getty Trust as of June 30, 2006. APPENDIX B should be read in its entirety.

Litigation, Investigations and Other Pending Matters

As described further in APPENDIX A, the Getty Trust has been involved in certain litigation, investigations and other matters. Such matters include, but are not limited to, (i) an investigation of the Getty Trust conducted by the State Attorney General, (ii) Italian and Greek criminal trials of a former curator of the Getty Trust and (iii) negotiations with Italian and Greek governmental authorities concerning objects in the Getty Trust's collection. For information relating to these matters, see APPENDIX A — "OTHER PERTINENT INFORMATION – Legal Matters."

Acts of Terrorism

A significant act of terrorism on U.S. soil or against U.S. interests could have an adverse impact on the Getty Trust by, among other things, causing dramatic increases in the cost of insurance for the facilities of the Getty Trust and for the insurance of exhibitions, the costs the Getty Trust incurs for security services and facilities, and the cost of the Getty Trust's international field projects and travel, thereby increasing the cost of operations of the Getty Trust. Acts of terrorism could also result in fewer visitors to the facilities of the Getty Trust, resulting in lost revenues for food services and bookstore operations, thereby reducing revenues from operations. Terrorist activities could also result in dislocations in the markets in which the Getty Trust invests, and could lead to declines in the value of the investments of the Getty Trust.

Seismic Risks and Other Natural Disasters

The Getty Center and the Getty Villa are located in a seismically active region of southern California. These facilities have been designed to meet all applicable seismic standards. However, the occurrence of severe seismic activity in the area could result in substantial damage to the Getty Center, the Getty Villa or the Getty Trust's art collections. The Getty Trust currently maintains earthquake insurance in amounts it considers reasonable, but the Loan Agreement does not require that earthquake insurance (or any other insurance) on any property of the Getty Trust be maintained, and the Getty Trust could decide to discontinue its policy of earthquake insurance at any time, or such insurance could become unavailable at rates considered reasonable by the Getty Trust. The Getty Trust's facilities are also subject to other natural and man-made disasters or "acts of God" that could cause significant damage to the facilities. See APPENDIX A — "THE J. PAUL GETTY TRUST – THE GETTY TRUST FINANCIAL OPERATIONS – Insurance" attached hereto.

Bankruptcy and Other Factors that Could Affect Security for the Series 2007A Bonds

In the event of bankruptcy of the Getty Trust, the rights and remedies of the Holders of the Series 2007A Bonds are subject to various provisions of the United States Bankruptcy Code. If the Getty Trust were to file a petition in bankruptcy, payments made by the Getty Trust during the 90-day (or perhaps longer) period immediately preceding the filing of such petition may be avoidable as preferential transfers to the extent such payments allow recipients

thereof to receive more than they would have received in the event of the Getty Trust's liquidation. Such a bankruptcy filing would operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the Getty Trust and its property, and as an automatic stay of any act or proceeding to enforce, maintain or enhance the rights of the Bond Trustee. If the bankruptcy court so ordered, the property of the Getty Trust could be used for financial rehabilitation of the Getty Trust rather than payment of the Series 2007A Bonds. The rights of the Bond Trustee to enforce its right to payment could be delayed during the pendency of the rehabilitation hearing. Additionally, in the event of bankruptcy of the Getty Trust, there is no assurance that covenants, including tax covenants, contained in the Loan Agreement and other documents would be complied with during bankruptcy proceedings. Accordingly, a bankruptcy trustee could take action that would adversely affect the exclusion of interest on the Series 2007A Bonds from gross income of Bondholders for federal income tax purposes.

The Getty Trust could file a plan for the adjustment of its debts in any such proceeding which could include provisions modifying or altering the rights of creditors generally, or any class of them, secured or unsecured. The plan, when confirmed by a court, binds all creditors who had notice or knowledge of the plan and, with certain exceptions, discharges all claims against the debtor to the extent provided for in the plan.

In addition, the Bond Trustee's ability to enforce the Indenture and the Loan Agreement will depend upon the exercise of various remedies specified in those documents which may in many instances require judicial actions that are often subject to discretion, delay and substantial costs or that otherwise may not be readily available or may be limited.

The various legal opinions to be delivered concurrently with the issuance of the Series 2007A Bonds will be qualified as to the enforceability of the various legal instruments by, among other things, limitations imposed by California and federal laws, rulings and decisions affecting remedies, and by bankruptcy, reorganization or other laws of general application affecting the enforcement of creditors' rights, including equitable principles.

Certain Investment Considerations Relating to Auction Rate Securities

For discussion of additional investment considerations relating specifically to auction rate securities, see "THE SERIES 2007A BONDS – Certain Investment Considerations Relating to Auction Rate Securities."

LONG-TERM DEBT SERVICE REQUIREMENTS

The table on the following page shows the estimated debt service payments on the Series 2007A Bonds and other outstanding long-term indebtedness of the Getty Trust (but excluding debt service related to the 2003 Taxable Bonds to be refunded with the proceeds of the Series 2007A Bonds, as described herein (see "THE PLAN OF REFUNDING")). For information regarding the interest rate swap agreements referred to below, see "CERTAIN INVESTMENT CONSIDERATIONS – Investment of Funds Risk" herein and APPENDIX A — "THE J. PAUL GETTY TRUST – THE GETTY TRUST FINANCIAL OPERATIONS – Outstanding Debt – Interest Rate Swap Agreements" attached hereto.

The J. Paul Getty Trust
Debt Service Requirements

Fiscal Year Ending June 30	Outstanding Long- Term Debt Service ⁽¹⁾	Principal Payments Relating to the Series 2007A Bonds	Interest Payments Relating to the Series 2007A Bonds ⁽²⁾	Total
2008	\$ 9,962,250	\$ 0	\$6,279,889	\$16,242,139
2009	17,097,609	0	9,152,874	26,250,483
2010	17,096,203	0	9,152,874	26,249,077
2011	17,098,891	0	9,152,874	26,251,765
2012	21,390,805	0	9,152,874	30,543,679
2013	21,420,373	0	9,152,874	30,573,247
2014	21,114,481	0	9,152,874	30,267,355
2015	20,866,424	0	9,152,874	30,019,298
2016	20,634,549	0	9,152,874	29,787,423
2017	20,492,244	0	9,152,874	29,645,118
2018	20,220,024	0	9,152,874	29,372,898
2019	20,160,785	0	9,152,874	29,313,659
2020	20,542,092	0	9,152,874	29,694,966
2021	20,774,940	0	9,152,874	29,927,814
2022	21,505,487	0	9,152,874	30,658,361
2023	22,280,786	0	9,152,874	31,433,660
2024	23,070,479	0	9,152,874	32,223,353
2025	23,995,062	0	9,152,874	33,147,936
2026	24,862,905	0	9,152,874	34,015,779
2027	25,780,286	0	9,152,874	34,933,160
2028	26,713,626	0	9,152,874	35,866,500
2029	27,714,667	0	9,152,874	36,867,541
2030	28,724,144	0	9,152,874	37,877,018
2031	29,783,891	0	9,152,874	38,936,765
2032	30,869,687	0	9,152,874	40,022,561
2033	32,012,541	0	9,152,874	41,165,415
2034	0	0	9,152,874	9,152,874
2035	0	0	9,152,874	9,152,874
2036	0	0	9,152,874	9,152,874
2037	0	0	9,152,874	9,152,874
2038	0	0	9,152,874	9,152,874
2039	0	0	9,152,874	9,152,874
2040	0	0	9,152,874	9,152,874
2041	0	0	9,152,874	9,152,874
2042	0	0	9,152,874	9,152,874
2043	0	0	9,152,874	9,152,874
2044	0	50,200,000	7,878,798	58,078,798
2045	0	52,075,000	6,132,443	58,207,443
2046	0	54,025,000	4,320,734	58,345,734
2047	0	56,050,000	2,441,133	58,491,133
2048	0	58,125,000	491,738	58,616,738
Total	<u>\$586,185,230</u>	<u>\$270,475,000</u>	<u>\$347,895,323</u>	<u>\$1,204,555,553</u>

⁽¹⁾ Includes scheduled principal and interest payments on all long-term indebtedness issued on behalf of the Getty Trust and outstanding as of October 2, 2007 (but excluding debt service relating to the 2003 Taxable Bonds, see "THE PLAN OF REFUNDING"). The 2003 Tax-Exempt Bonds and the 2004 Tax-Exempt Bonds bear interest at a variable rate. Interest on the 2003 Tax-Exempt Bonds and the 2004 Tax-Exempt Bonds is calculated at an assumed interest rate of 3.67% and 3.75%, respectively, which reflects the fixed annual rate of return under the interest rate swap agreements entered into by the Getty Trust in connection with such bonds. Actual rates may differ.

⁽²⁾ The Series 2007A Bonds bear interest at a variable rate. Interest on the Series 2007A Bonds is calculated at an assumed interest rate of 3.384%, which reflects the fixed annual rate of return under the Interest Rate Swap Agreements. Actual rates may differ.

LEGALITY FOR INVESTMENT IN CALIFORNIA

Bonds issued by the Infrastructure Bank under the Act are, under California law, legal investments for all trust funds, the funds of all insurance companies, banks, both commercial and savings, trust companies, executors, administrators, trustees, and other fiduciaries, for state school funds, pension funds, and for any funds that may be invested in county, school, or municipal bonds. These bonds are securities that may legally be deposited with, and received by, any state or municipal officer or agency or political subdivision of the State for any purpose for which the deposit of bonds or obligations of the State is now, or may hereafter be, authorized by law, including, deposits to secure public funds.

FORWARD-LOOKING STATEMENTS

This Official Statement, which includes all Appendices hereto, contains forward-looking statements that involve risks and uncertainties. Any statements that express, or involve discussions as to expectations, beliefs, plans, objective, assumptions, future events or performance (often, but not always, through the use of words or phrases such as “will result,” “expects to,” “will continue,” “anticipates,” “plans,” “intends,” “estimated,” “projects” and “outlook”) are not historical and may be forward-looking. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors, including, but not limited to, the risks described under the heading “CERTAIN INVESTMENT CONSIDERATIONS” which may cause actual results to be materially different from those expressed or implied by such forward-looking statements. Although the Getty Trust believes that the expectations reflected in the forward-looking statements are reasonable, the Getty Trust cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither the Getty Trust nor any other person assumes responsibility for the accuracy or completeness of these statements. Accordingly, investors should not rely on forward-looking statements in this Official Statement. The Getty Trust undertakes no obligation to publicly update or revise any forward-looking statements in this Official Statement, whether as a result of new information, future events or otherwise.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2007A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Series 2007A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX E hereto.

Series 2007A Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call

date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a beneficial owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such beneficial owner. Beneficial owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2007A Bonds. The Infrastructure Bank and the Getty Trust have made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2007A Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2007A Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2007A Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the date of issuance of the Series 2007A Bonds may adversely affect the value of, or the tax status of interest on, the Series 2007A Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

In addition, Bond Counsel has relied, among other things, on the opinion of Caplin & Drysdale, Chartered, Washington, D.C., special tax counsel to the Getty Trust (“Special Tax Counsel”), regarding the current qualification of the Getty Trust as an organization described in Section 501(c)(3) of the Code. Such opinion is subject to a number of qualifications and limitations. Bond Counsel has also relied upon representations of the Getty Trust concerning the Getty Trust’s “unrelated trade or business” activities as defined in Section 513(a) of the Code. Neither Bond Counsel nor Special Tax Counsel to the Getty Trust has given any opinion or assurance concerning Section 513(a) of the Code and neither Bond Counsel nor Special Tax Counsel to the Getty Trust can give or has given any opinion or assurance about the future activities of the Getty Trust, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the resulting changes in enforcement thereof by the Internal Revenue Service. Failure of the Getty Trust to be organized and operated in accordance with the Internal Revenue Service’s requirements for the maintenance of its status as an organization described in Section 501(c)(3) of the Code, or to operate the facilities financed by the Series 2007A Bonds in a manner that is substantially related to the Getty Trust’s charitable purpose under Section 513(a) of the Code, may result in interest payable with respect to the Series 2007A Bonds being included in federal gross income, possibly from the date of the original issuance of the Series 2007A Bonds.

Although Bond Counsel is of the opinion that interest on the Series 2007A Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Series 2007A Bonds may otherwise affect a beneficial owner’s federal, state or

local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the beneficial owner or the beneficial owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2007A Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. As one example, on May 21, 2007, the United States Supreme Court agreed to hear an appeal from a Kentucky state court which ruled that the United States Constitution prohibited the state from providing a tax exemption for interest on bonds issued by the state and its political subdivisions but taxing interest on obligations issued by other states and their political subdivisions. The introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Series 2007A Bonds. Prospective purchasers of the Series 2007A Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2007A Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Infrastructure Bank or the Getty Trust, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Infrastructure Bank and the Getty Trust have covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Series 2007A Bonds ends with the issuance of the Series 2007A Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Infrastructure Bank, the Getty Trust or the beneficial owners regarding the tax-exempt status of the Series 2007A Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Infrastructure Bank, the Getty Trust and their appointed counsel, including the beneficial owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Infrastructure Bank or the Getty Trust legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2007A Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2007A Bonds, and may cause the Infrastructure Bank, the Getty Trust or the beneficial owners to incur significant expense.

ABSENCE OF MATERIAL LITIGATION

The Infrastructure Bank

There is not now pending (as to which the Infrastructure Bank has received service of process) or, to the knowledge of the Infrastructure Bank, threatened, any litigation restraining or enjoining the issuance or delivery of the Series 2007A Bonds or questioning or affecting the validity of the Series 2007A Bonds or the proceedings or authority under which the Series 2007A Bonds are to be issued. Neither the creation, organization or existence of the Infrastructure Bank nor the title of any of the present members or officials of the Infrastructure Bank to their respective offices is being contested. There is no litigation pending (as to which the Infrastructure Bank has received service of process) or, to the knowledge of the Infrastructure Bank, threatened, which in any manner questions the right of the Infrastructure Bank to enter into the Indenture or the Loan Agreement, or to secure the Series 2007A Bonds in the manner provided in the Indenture and the Act.

The Getty Trust

There is no litigation pending against the Getty Trust concerning the sale, delivery or validity of the Series 2007A Bonds or pending against the Getty Trust which if determined adversely to the Getty Trust would have a material adverse effect on the financial position of the Getty Trust.

UNDERWRITING

The State Treasurer, as agent of sale for the Infrastructure Bank, and the Infrastructure Bank, entered into a purchase contract as approved by the Getty Trust with Morgan Stanley & Co. Incorporated, as representative of the Underwriters. The Underwriters have agreed, subject to certain conditions, to purchase the Series 2007A Bonds from the Infrastructure Bank at a purchase price of \$269,577,038.31 (being the principal amount of the Series 2007A Bonds less an underwriters' discount of \$897,961.69). The purchase contract pursuant to which the Series 2007A Bonds are being sold provides that the Underwriters will purchase not less than all of the Series 2007A Bonds. The Underwriters' obligation to make such purchase is subject to certain terms and conditions set forth in the purchase contract, including the approval of certain legal matters by counsel and certain other conditions.

BROKER-DEALERS AND AUCTION AGENT

The Bank of New York will act as the Auction Agent pursuant to an Auction Agreement (the "Auction Agreement") between the Bond Trustee and the Auction Agent. Morgan Stanley & Co. Incorporated and Bear, Stearns & Co. Inc. (collectively, the "Broker-Dealers") will serve as the initial Broker-Dealers for each Series of Bonds, pursuant to two separate Broker-Dealer Agreements (collectively, the "Broker-Dealer Agreements") among the Auction Agent, the Broker-Dealers and the Getty Trust. Both the Auction Agreement and the Broker-Dealer Agreements include termination provisions that generally do not require a replacement Auction Agent or Broker-Dealer, as applicable, to be appointed prior to termination of the relevant agreement. For additional considerations regarding the termination provisions and additional

considerations relating to the Broker-Dealers and the Auction Agent, see “THE SERIES 2007A BONDS – Certain Investment Considerations Relating to Auction Rate Securities.”

FINANCIAL ADVISOR

The Getty Trust has retained Swap Financial Group, South Orange, New Jersey as financial advisor in connection with the delivery of the Series 2007A Bonds. Swap Financial Group is an independent financial advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

CONTINUING DISCLOSURE

The Getty Trust has undertaken all responsibilities for any continuing disclosure to Bondholders as described below, and the Infrastructure Bank will have no liability to the Holders of the Bonds or any other person with respect to Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission.

The Getty Trust has covenanted for the benefit of the Holders and beneficial owners of the Series 2007A Bonds to provide to the Dissemination Agent for dissemination as described below certain financial information relating to the Getty Trust (the “Annual Report”) by not later than six months following the end of each fiscal year thereafter (which fiscal year currently begins on July 1 of each year and ends on the next succeeding June 30), commencing with the report for the fiscal year ended June 30, 2007, and to provide notices to the Dissemination Agent for dissemination of the occurrence of certain enumerated events, if material. The Annual Report and any notices of material events will be filed by the Getty Trust or the Dissemination Agent on behalf of the Getty Trust with each Nationally Recognized Municipal Securities Information Repository (and with the State Repository, if any). As of the date of this Official Statement, there is no State Repository. The specific nature of the information to be contained in the Annual Report or the notices of material events is summarized in APPENDIX G — “FORM OF CONTINUING DISCLOSURE AGREEMENT.” These covenants have been made in order to assist the Underwriters in complying with 15c2-12(b)(5). The Getty Trust has never failed to comply in all material respects with any previous undertakings to provide annual reports or notices of material events.

APPROVAL OF LEGALITY

Legal matters incident to validity of the Series 2007A Bonds and certain other matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Infrastructure Bank. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the Underwriters by their counsel, O’Melveny & Myers LLP; for the Infrastructure Bank by its counsel, Brooke Bassett, Esq.; and for the Getty Trust by its Acting Vice President, General Counsel and Secretary, Lori Fox, Esq., its outside counsel, Nixon Peabody LLP and its special tax counsel, Caplin & Drysdale, Chartered.

INDEPENDENT ACCOUNTANTS

The financial statements of the Getty Trust for the fiscal years ended June 30, 2006 and June 30, 2005, appended hereto as Appendix B to this Official Statement, have been audited by

KPMG LLP (“KPMG”), independent certified public accountants. The related report of KPMG dated September 15, 2006 is also appended hereto. These financial statements should be read in their entirety.

RATINGS

Moody’s Investors Service (“Moody’s”) has assigned a rating of “Aaa” and Standard & Poor’s Ratings Group (“S&P”) has assigned a rating of “AAA” on the Series 2007A Bonds. Any explanation of the significance of such ratings may only be obtained from Moody’s and S&P. The Getty Trust furnished to Moody’s and S&P certain information and material relating to the Series 2007A Bonds and the Getty Trust that have not been included in this Official Statement. Generally, rating agencies base their ratings on information and materials furnished and on investigation, studies, and assumptions by the rating agencies. There is no assurance that the rating mentioned above will remain in effect for any given period of time or that a rating might not be lowered or withdrawn entirely, if in the judgment of the rating agency originally establishing the rating, circumstances so warrant. Any such downward change in or withdrawal of a rating might have an adverse effect on the market price or marketability of the Series 2007A Bonds.

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MISCELLANEOUS

All quotations from and summaries and explanations of the Act, the Indenture, the Loan Agreement and of other statutes and documents contained herein do not purport to be complete, and reference is made to said documents and statutes for full and complete statements of their provisions. Copies in reasonable quantity of the Indenture and the Loan Agreement may be obtained upon request directed to The Bank of New York Trust Company, N.A., 700 S. Flower Street, Suite 500, Los Angeles, California 90017, Attention: Corporate Trust Services or the Getty Trust at <http://www.getty.edu/about/finance> (this website is not incorporated by reference herein).

Any statements in this Official Statement involving matters of opinion are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Infrastructure Bank or the Getty Trust and Holders of any of the Series 2007A Bonds. The information contained herein relating to the Getty Trust has been furnished by the Getty Trust and officers and officials of the Getty Trust, and the Infrastructure Bank makes no representation or warranties whatsoever with respect to any information contained herein except for the information contained under the captions “THE INFRASTRUCTURE BANK” and “ABSENCE OF MATERIAL LITIGATION – The Infrastructure Bank.”

The execution and delivery of this Official Statement has been duly authorized by the Infrastructure Bank and the Getty Trust.

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

By: /s/ Stanton C. Hazelroth
Stanton C. Hazelroth
Executive Director

THE J. PAUL GETTY TRUST

By: /s/ Robert Abeles
Robert Abeles
Interim Vice President,
Finance and Administration

APPENDIX A

THE J. PAUL GETTY TRUST

GENERAL INTRODUCTION AND OVERVIEW

The J. Paul Getty Trust (the “Getty Trust”), a California charitable trust and private operating foundation within the meaning of Section 509(a) of the Internal Revenue Code, is an international cultural and philanthropic institution devoted to the visual arts and the humanities. The Getty Trust is based at the Getty Center in Los Angeles, California (the “Getty Center”). In January 2006, the Getty Trust reopened a second campus at the Getty Villa (as defined herein) in Malibu, California (see “THE J. PAUL GETTY TRUST” below for a description of the Getty Center and the Getty Villa). The mission of the Getty Trust is to provide opportunities to more fully enjoy, preserve, share, study and conserve the world’s artistic and cultural heritage. The Getty Trust serves both general audiences and specialized professionals through four operating programs:

- **The J. Paul Getty Museum** (the “Museum”) acquires works of art in the following fields: classical antiquities; European paintings, drawings, sculpture, illuminated manuscripts and decorative arts; and European and American photographs. The Museum preserves, exhibits and interprets a broad range of art works, including those from these permanent collections and offers a wide range of public programs, including lectures, classes, films and performances.
- **The Getty Research Institute** (the “Research Institute”) encourages, enables and inspires advanced scholarship through innovative, often interdisciplinary, research projects, publications, public programs and exhibitions. The Research Institute serves scholars worldwide through (1) an art library that provides research tools, databases of cultural information, and vocabulary tools online, on CD-ROM and in print; and (2) a program that gathers together distinguished international scholars, artists, writers and promising pre- and post-doctoral fellows, to pursue individual and collaborative research projects.
- **The Getty Conservation Institute** (the “Conservation Institute”) pursues a broad range of activities dedicated to furthering conservation practice and education in order to enhance and encourage the preservation, understanding and interpretation of the visual arts. The Conservation Institute serves the international community through scientific research into the nature, decay and treatment of materials, education and training, model field projects, and a publications program.
- **The Getty Foundation** (the “Foundation”) provides support to institutions and individuals throughout the world in fields that are aligned closely with the Getty Trust’s strategic priorities. The Foundation funds a diverse range of projects that promote learning and scholarship about the history of the visual arts and the conservation of cultural heritage, and it consistently searches for collaborative efforts that set high standards and make significant contributions. The Foundation also includes the Getty Leadership Institute, the leading source of continuing professional development for current and future museum leaders.

GOVERNANCE AND MANAGEMENT

Board of Trustees

A Board of Trustees (the “Board”), currently consisting of thirteen Trustees, governs the Getty Trust. The number of Trustees may fluctuate at the discretion of the Trustees; however, there may not be fewer than three serving at any one time. Trustees are elected by the Board for terms of four years and may be elected for up to three four-year terms. Trustees receive no compensation for their service but are reimbursed for travel and some other expenses incurred in fulfilling their duties as members of the Board. Trustees are eligible to participate in a matching gift program providing matching gift funds to qualified public charities on a four to one basis up to an annual maximum matching amount of \$60,000.

During the past two years, the Board has approved and the Getty Trust has implemented new and revised policies designed to increase Board oversight, clarify and restrict business expenses and reimbursement, enhance disclosure of potential conflicts of interest, centralize grant approval and administration, and strengthen human resources policies regarding use and compensation of personnel. In October 2006, the Board also approved and the Getty Trust has implemented a significantly revised art acquisition policy. The revised policy adopts November 17, 1970, the date on which the UNESCO Convention on the Means of Prohibiting and Preventing the Illicit Import, Export, and Transfer of Ownership of Cultural Property was signed, as the key date for determining whether an ancient work of art or archaeological material had left its source country and therefore can be considered for acquisition. The previous policy required objects to be from “established, well-documented collections” and published before 1995. The new policy brings the Getty Trust’s acquisition practices into alignment with the stricter guidelines recently adopted by museums in the United Kingdom.

The Board holds four regular meetings per year, with an Annual Meeting held in May or June of each year and special meetings as required. Among other duties, the Board reviews and adopts the annual budget, reviews and approves the acquisition of any work of art by the Museum valued at \$1,000,000 or more and reviews and approves any grants of \$250,000 or more. The standing committees of the Board are the Executive Committee (consisting of the Chair, the Vice Chairs and the President and Chief Executive Officer), the Audit Committee, the External Affairs Committee, the Compensation Committee, the Governance Committee, the Finance Committee and the Investment Committee.

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Trustees serving on the Board as of September 1, 2007 are as follows:

<u>Trustee</u>	<u>Principal Affiliation</u>	<u>Current Term Ends</u>
Louise H. Bryson, <i>Chair</i>	LIFETIME Television Executive Vice President	June 30, 2010*
Ramon C. Cortines	Scholastic Inc. Director	June 30, 2008*
Frances Daly Ferguson	Vassar College President Emeritus and Professor of Art	June 30, 2011
Joanne C. Kozberg	California Strategies Partner	June 30, 2009
Paul LeClerc	The New York Public Library President, CEO and Trustee	June 30, 2011
Luis G. Nogales	Nogales Partners President	June 30, 2008
Stewart A. Resnick	Roll International Corporation Chairman	June 30, 2009
Neil L. Rudenstine	ARTstor Chairman	June 30, 2011
William E. B. Siart, <i>Vice Chair</i>	ExED Founder and Chairman	June 30, 2009
Mark S. Siegel	Remy Investors & Consultants, Inc. President	June 30, 2009
Peter J. Taylor	Lehman Brothers Managing Director	June 30, 2009
Jay S. Wintrob, <i>Vice Chair</i>	AIG Retirement Services President	June 30, 2008
James N. Wood	The J. Paul Getty Trust President and Chief Executive Officer	June 30, 2011

* Not eligible for re-election.

Officers and Senior Staff Members

The following table lists the names of the principal executive officers of the Getty Trust and program directors, their current positions and the year each was appointed to his or her position. Brief biographical statements are also provided below, for these officers and program directors.

<u>Name</u>	<u>Position</u>	<u>Year Appointed to Position</u>
James N. Wood	President and Chief Executive Officer	2007
Robert Abeles	Interim Vice President, Finance and Administration and Chief Financial Officer	2006
Michael Brand	Director, The J. Paul Getty Museum	2005
Lori Fox	Acting Vice President, General Counsel and Secretary	2007
Thomas W. Gaehtgens	Director, The Getty Research Institute	2007
Ron Hartwig	Vice President, Communications	2005
Deborah Marrow	Director, The Getty Foundation	1989
Timothy Whalen	Director, The Getty Conservation Institute	1998
James Williams	Vice President, Chief Investment Officer and Treasurer	2002 2006

James N. Wood joined the Getty Trust in February 2007 as President and Chief Executive Officer. A recognized arts leader, Mr. Wood served as director and president of the Art Institute of Chicago from 1980-2004. Prior to that, he was the director of The St. Louis Museum of Art, an adjunct professor of art history at State University of New York at Buffalo and associate director of the Albright-Knox Art Gallery in Buffalo, New York. He also held positions at The Metropolitan Museum of Art in New York City. Currently, Mr. Wood sits on the boards of the Sterling and Francine Clark Art Institute, the Institute of Fine Arts at New York University, the Harvard University Art Museums, and the Museum of the Rhode Island School of Design. He is also president of the board of the Pulitzer Foundation for the Arts.

Mr. Wood received his B.A. with honors in art history from Williams College and his M.A. from the Institute of Fine Arts at New York University. He also studied at and holds a diploma from the University for Foreigners in Perugia, Italy.

Robert Abeles has served as the Interim Vice President, Finance and Administration and Chief Financial Officer of the Getty Trust since November 2006. Mr. Abeles previously served as Executive Vice President and Chief Financial Officer of Kindercare Learning Centers, Transamerica Life, and First Interstate Bank of California. Mr. Abeles is a past chairman and director of the American Heart Association, Los Angeles Chapter, and former board member of the Los Angeles Chamber Orchestra. Mr. Abeles holds a B.A. in economics and an M.B.A. from the University of California at Los Angeles.

Michael Brand was appointed Director of the Museum in August 2005 and assumed his new responsibilities in December 2005. He previously served for five years as director of the Virginia Museum of Fine Arts (“VMFA”) in Richmond. During his tenure at the VMFA, Mr. Brand led a successful capital campaign to fund the largest expansion in the VMFA’s history as well as the development of a complete campus transformation, including a new 177,000-square-foot wing and a 3.5-acre sculpture garden. From 1996 to 2000, Mr. Brand was assistant director of the Queensland Art Gallery, Brisbane, Australia. Prior to that, he was the founding head of Asian art at the National Gallery of Australia in Canberra. A native of Australia, Mr. Brand earned his B.A. from the Australian National University in Canberra and his M.A. and Ph.D. from Harvard University.

Lori Fox was appointed Acting Vice President, General Counsel and Secretary of the Getty Trust in August 2007. Before this appointment, she had served as Deputy General Counsel to the Getty Trust since April 2003. Ms. Fox graduated from Yale College and New York University School of Law. From 1985 to 1987, she served as law clerk to the Honorable Diana E. Murphy, then a United States District Judge. After completing her clerkship, she practiced law with the Washington, D.C., firms of Nussbaum, Owen & Webster and Nussbaum & Wald. Before joining the Getty Trust, Ms. Fox spent eight years as Associate General Counsel to Washington University in St. Louis, where she also taught.

Thomas W. Gaehtgens has been appointed as the Director of the Getty Research Institute effective November 1, 2007. Dr. Gaehtgens previously served as Director of the German Center for the History of Art in Paris, an organization he founded in 1997 and as Professor and Chair of the Department of Art History at the Free University of Berlin where he served as a professor. Dr. Gaehtgens holds degrees in art history from the Universities of Bonn, Freiburg, Vienna and Paris, received his Doctorate from the University of Bonn in 1966, and in 1972 achieved his Habilitation, the highest academic qualification in Germany, from the University of Göttingen. He was a visiting scholar at the Institute for Advanced Study at Princeton from 1979 to 1980 and at the Getty Research Institute for the History of Art and the Humanities from 1985 to 1986. In 2004, he was awarded an Honorary Doctorate from the Courtauld Institute of Art in London.

Ron Hartwig was named Vice President of Communications in December 2005. His responsibilities cover a wide array of communications programs for the Getty Trust’s diverse constituencies, including media, and encompass all aspects of the Getty Trust. Mr. Hartwig joined the Getty Trust from Hill & Knowlton, Inc., where he spent 24 years in several senior executive positions, the last as Executive Vice President and Chairman of the firm’s California operations. Before joining Hill and Knowlton, Mr. Hartwig was with the General Motors Corporation, and prior to that, he served as Director of Public Affairs and Counselor to the Secretary of the U.S. Department of Commerce in the Carter Administration. Mr. Hartwig is a board member of the Japan America Society of Southern California and a member of the Board of Councilors of the USC School of Social Work.

Deborah Marrow has been Director of the Getty Foundation since 1989. Since 1983, Marrow has held numerous key positions within the institution including interim director of the Getty Research Institute, dean for external relations of the J. Paul Getty Trust and interim president and CEO of the J. Paul Getty Trust. Throughout her career, Marrow has been active in professional organizations in the fields of art history, museums, preservation, and philanthropy and has served on several nonprofit boards. She is currently a trustee of the University of Pennsylvania. Marrow began her career at the Philadelphia Museum of Art and later taught art history at universities in the Philadelphia area and in Southern California prior to joining the Getty. She holds a B.A. and a Ph.D. in art history from the University of Pennsylvania and an M.A. from The Johns Hopkins University.

Timothy Whalen has been the Director of the Getty Conservation Institute (“GCI”) since 1998. His professional association with the Getty dates to 1983, when he was appointed assistant director of the Getty Center for the History of Art and the Humanities, and then associate director of the Getty Building Program. In 1991 he assumed the position of senior program officer in The Getty Foundation, and in December 1998 he was named the GCI’s director. Whalen is an advisor to the National Trust for Historic Preservation, a member of the board of studies for the Courtauld Institute of Art’s M.A. program in the conservation of wall paintings, and a member of the United States National Commission to UNESCO. A California native, he holds a B.A. in art history as well as an M.A. in museum studies and art history from the University of Southern California.

James Williams has served as the Vice President and Chief Investment Officer of the Getty Trust since December 2002 and was appointed Treasurer in addition to his existing duties in May 2006. Before joining the Getty Trust, he was, for three years, the President of Harbor Capital Advisors and President of the Harbor family of mutual funds. Prior to joining Harbor, he was manager of the Pension Asset Management department of Ford Motor Company. Mr. Williams is a trustee of the SEI and Ariel groups of mutual funds. Mr. Williams has a B.S. in engineering from the University of Michigan and an M.B.A. in finance from the University of Chicago.

THE J. PAUL GETTY TRUST

In 1953, J. Paul Getty founded the Getty Trust (originally known as The J. Paul Getty Museum) to oversee his art collection. The Getty Trust’s indenture called for “a museum, gallery of art and library” and stated the purpose of the Getty Trust as “the diffusion of artistic and general knowledge.”

The Getty Trust’s original museum first opened its doors on a limited basis in 1954 and was housed at Mr. Getty’s ranch house, a weekend home located in Los Angeles on the border of Malibu. In the late 1960s, Mr. Getty began plans for building a new museum on the Ranch House property. Mr. Getty modeled this new museum building and its environs (commonly referred to, together with the Ranch House, as the “Getty Villa”) after the Villa dei Papiri, a Roman country house near Naples that was buried by the eruption of Mount Vesuvius in A.D. 79. This new museum building opened at the Getty Villa in 1974. From its opening until its closure for extensive renovations in 1997, the Getty Villa museum attracted millions of visitors.

Mr. Getty died in 1976, at the age of 83, and left \$700 million in Getty Oil Company stock to further the purposes of the Getty Trust. After Mr. Getty’s estate was settled in the early 1980s, the Board expanded the Getty Trust’s mission and created new programs under the Getty Trust umbrella. These programs include, among others, the Research Institute, the Conservation Institute and the Foundation. See “GENERAL INTRODUCTION AND OVERVIEW” above for a description of these programs.

Getty Center

With the expansion of the Getty Trust’s mission, the rapid growth of the Museum’s collection and the addition of new programs, the Board became committed to bringing the majority of the Getty Trust’s activities together on one campus. As a result, the Getty Trust undertook the construction of the Getty Center, located in Los Angeles, California. The Getty Center comprises six buildings located on hills in the Sepulveda Pass at the 405 Freeway in the Brentwood section of Los Angeles. The 110 acre developed footprint of the buildings and manicured grounds is part of a 753 acre parcel that makes up the entire site. The Getty Center was designed by American architect Richard Meier and, at a cost of over \$1 billion, was the largest single-phase construction project in the history of Los Angeles. The Getty Center opened to the public in December 1997.

The Getty Center features the Museum, extensive gardens and distinctive buildings that house, among other things, the Research Institute, the Conservation Institute and the Foundation. The Getty Center attracts approximately 1.3 million visitors annually and, by June 30, 2007, had hosted approximately 13 million visitors. Admission to the Getty Center, including the Museum, is free, and school programs offered by the Getty Center serve approximately 90,000 school visitors per year. A wide range of special programs, such as *Fridays off the 405*, with an eclectic mix of new music and performance, and Family Festivals, including performing arts, gallery talks and art-making workshops for children, are aimed at attracting new audiences to the Getty Center. Over half of the Getty Center's visitors come from the Southern California region. The Los Angeles Convention and Visitors Bureau cites the Getty Center as drawing large numbers of tourists to Los Angeles, thereby contributing to the area-wide economy.

Getty Villa

The Getty Villa site closed in 1997 to permit its renovation and adaptation (the "Getty Villa Project") to serve as a center for the study of classical art and culture, anchored by the Museum's collection of Greek and Roman antiquities as the core of its exhibitions. The Getty Villa Project included the renovation of the original J. Paul Getty Museum building, renovation of the Ranch House, refurbishment of an existing subterranean parking structure, upgrading and installation of new roads, repair of a hillside slide, and construction of several new structures, including a central plant, an auditorium, an outdoor theater, an entry court, new conservation laboratories, an office building, and two new parking structures. The Getty Villa Project was completed in January 2006 and reopened to the public on January 28, 2006. As of June 30, 2007, the Getty Villa had hosted approximately 500,000 visitors since its reopening.

THE GETTY TRUST'S FINANCIAL OPERATIONS

Financial statements of the Getty Trust are presented in APPENDIX B – "FINANCIAL STATEMENTS OF THE J. PAUL GETTY TRUST" for the fiscal year ended June 30, 2006 and for the fiscal year ended June 30, 2005. The following pages provide only a summary of information relative to the financial condition of the Getty Trust extracted from the Getty Trust's audited financial statements for the fiscal years ended June 30, 2003 through June 30, 2006, and unaudited financial statements for fiscal year ended June 30, 2007. The most recent annual disclosure statement of the Getty Trust was filed with the NRMSIRs in December 2006. **The financial statements presented in Appendix B are an integral part hereof and should be reviewed carefully in their entirety, along with the other financial information contained herein.**

Operating Performance

During the 1990s, the Getty Trust consistently increased its overall net asset value as a result of returns on its investment portfolio. Investment returns were lower during the early 2000s. In the fiscal year ended June 30, 2003, unrestricted net assets declined by \$171,047,000, or -2.4%, reflecting expenditures in excess of revenues.

In the fiscal year ended June 30, 2004, unrestricted net assets increased by \$453,860,000, or 6.7% over the fiscal year ended June 30, 2003. In the fiscal year ended June 30, 2005, unrestricted net assets increased by \$200,453,000, or 2.8% over the fiscal year ended June 30, 2004. In the fiscal year ended June 30, 2006, unrestricted net assets increased by \$552,521,000 or 7.4% over the fiscal year ended June 30, 2005, and for fiscal year ended June 30, 2007, unrestricted net assets are estimated to have increased \$848,736,000, or 11% over the fiscal year ended June 30, 2006. The Statement of Activities for the Getty Trust for the fiscal years ended June 30, 2003 through June 30, 2007, is summarized in the following table.

THE J. PAUL GETTY TRUST
SUMMARY STATEMENT OF ACTIVITIES
(Amounts in Thousands)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Revenue					(Unaudited)
Investment income, net ⁽¹⁾	\$85,398	\$691,947	\$518,285	\$800,394	\$1,136,730
Sales and other income, net	10,301	11,317	12,123	13,590	16,819
Contributions	667	1,230	2,784	36,685	2,890
Total Revenue	96,366	704,494	533,192	850,669	1,156,439
Expenses					
Museum	88,156	87,734	103,812	115,623	126,740
Research and library	55,770	55,088	60,684	55,827	63,702
Conservation	39,394	39,478	42,637	43,281	46,618
Education	12,174	7,843	10,642	10,075	9,246
Grants program	39,539	31,990	38,015	40,107	27,776
General and administrative	32,380	28,501	31,264	28,655	33,621
Reserve for impairment of assets ⁽²⁾	--	--	45,685	4,580	--
Total Expenses	267,413	250,634	332,739	298,148	307,703
Change in Unrestricted Net Assets	(\$171,047)	\$453,860	\$200,453	\$552,521	\$848,736

⁽¹⁾ Consists of interest and dividend income plus net realized and unrealized gains (losses) on investments and interest rate swap agreements.

⁽²⁾ The reserve was established for the impairment of the value of assets resulting from potential losses from forfeiture or other claims made by individuals or governments against objects in the Museum's collection. See "OTHER PERTINENT INFORMATION – Legal Matters" and Note 2(d) to the Financial Statements attached hereto as Appendix B.

Investments

The Board is responsible for general oversight of the Getty Trust's investment activities and for establishing the Investment Policy for the Getty Trust. The Investment Policy provides that overall investment objectives and goals should be achieved through a diversified portfolio that balances return expectations and risk tolerances, and is managed by external investment managers whose performance is reviewed regularly and compared to agreed-upon guidelines and benchmarks.

The Getty Trust's long-term objective is to achieve a total real rate of return (net of inflation) greater than 5%. This return is to be achieved within the risk tolerances adopted by the Board and according to the asset allocation guidelines established in the Investment Policy. Asset allocation is discussed regularly by the Investment Committee described below and formally reviewed by the Board at least every three years, or as may be necessary to address a significant change in the operations or financial condition of the Getty Trust.

The Investment Committee of the Board is responsible for overseeing the Getty Trust's investment program, monitoring the performance of the Getty Trust's investment managers and assisting the Board in determining the strategic asset allocation for the investment program. The Investment Committee reports significant issues to the Board. The Investment Committee is comprised of Trustees who have substantial investment experience. The Investment Committee currently also includes one non-voting member who is not a Trustee, but who provides the Investment Committee with additional investment expertise.

The Getty Trust's Vice President, Chief Investment Officer and Treasurer manages the investment program according to the Board's Investment Policy and implements the asset allocation strategy through the selection of external investment managers who invest the assets according to the Investment Policy and specific investment guidelines incorporated into each investment management agreement. The Vice President, Chief Investment Officer and Treasurer is authorized to hire and terminate investment managers as appropriate to achieve the goals of the Investment Policy.

The Board periodically reviews the Investment Policy and considers recommendations put forth by the Investment Committee. The Investment Policy was most recently reviewed and revised by the Board in September 2007 and provides that the Getty Trust's investments should be allocated approximately 38% to publicly-traded domestic and international equity securities, approximately 14% to fixed-income securities, and approximately 48% to alternative investments. As of June 30, 2007, based on the Getty Trust's investment classifications, approximately 40% of the Getty Trust's investments were in publicly traded domestic and international equity securities, approximately 12% were in fixed income securities and approximately 48% were in alternative investments. Management expects that the Getty Trust's investments will be reallocated in accordance with the new Investment Policy over a period of up to five years.

The Getty Trust's investment portfolio utilizes active management, passive indexed and enhanced index funds. Equity investments include those with value and growth characteristics, companies with large-, mid- and small-capitalization, and international companies. Fixed-income investments cover a range of debt obligations and maturities in predominantly investment-grade securities. Alternative investments include private equity (buyout and venture capital funds), real assets (real estate, energy and timber funds), distressed debt, and hedge funds. Further, the Getty Trust regularly invests a portion of its funds in derivative financial instruments, primarily for hedging purposes, and lends securities from its portfolio. Each of these types of investments entails risk. For a discussion of risks related to the Getty Trust's investments, see "CERTAIN INVESTMENT CONSIDERATIONS – Investment of Funds Risk" in the Official Statement.

The values of invested funds by asset class as of the end of each fiscal year ended June 30, 2003 through 2006, and unaudited figures through June 30, 2007, are shown in the following table.

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THE J. PAUL GETTY TRUST
VALUE OF INVESTMENTS*
(amounts in thousands)

	As of June 30,				As of June 30,
	2003	2004	2005	2006	2007 (Unaudited)
Short-term investments	\$449,748	\$572,135	\$198,709	\$210,612	\$181,313
U.S. Treasury and agency securities	747,607	703,792	391,927	274,188	231,710
Corporate bonds	562,313	364,819	146,870	118,948	309,365
Common stocks, mutual funds and other investments	2,688,868	2,536,838	1,316,250	1,280,280	2,272,261
Alternative investments	213,568	916,829	3,123,918 ⁽¹⁾	3,674,686 ⁽¹⁾	3,423,121
Totals ⁽²⁾	\$4,662,104	\$5,094,413	\$5,177,674	\$5,558,714	\$6,417,770

* Value is determined based on quoted market prices where available. Investments are reported at fair value. A significant portion of the Getty Trust's alternative investments are made up of limited partnerships, which include private equity, venture capital, hedge funds, distressed debt and real property assets. Limited partnerships invest in both publicly traded and private securities.

⁽¹⁾ During fiscal year 2006, the Financial Accounting Standards Board expanded the definition of alternative investments to include those investments for which third-party readily determinable pricing is unavailable. Alternative investments for the various years are presented consistent with this definition. In addition, the June 30, 2007 unaudited investment balances classify any funds which provide information on the underlying assets, consisting of either public equity or fixed-income securities, according to these underlying investments. Prior years investment balances have been reclassified accordingly.

⁽²⁾ Totals represent gross investment assets and do not include investment payables and receivables, income receivable or investments whose use is limited.

Annual Support from the Endowment

The Trustees annually approve the amount of endowment funds to be used for operations for each upcoming year's budget. The Trustees by policy limit the amount of endowment funds authorized to support operations and capital outlay in any year to an amount equal to 5% of the rolling three-year average value of the investment portfolio, based on the market value of the portfolio at each month-end. For the fiscal year ended June 30, 2005, the Trustees approved the use of \$224.3 million of endowment funds to support operations and capital outlay. For the fiscal year ended June 30, 2006, the Trustees approved the use of \$225 million of endowment funds to support operations and capital outlay. The Trustees approved the use of \$238.6 million of endowment funds to support operations and capital outlay during the fiscal year ending June 30, 2007 and the use of \$259.2 million of endowment funds for fiscal year ending June 30, 2008.

It has been the practice of the Getty Trust to permit any under spending of current year's spending authorizations to be available for spending in future years. As of July 1, 2007, the Getty Trust had accumulated approximately \$60 million in such unspent funds.

Outstanding Debt

Bonds. As of October 2, 2007, the outstanding indebtedness of the Getty Trust totaled approximately \$610 million. This indebtedness included (i) \$250 million outstanding principal amount of The J. Paul Getty Trust Taxable Bonds, Series 2003 described in this Official Statement; (ii) \$275 million outstanding principal amount of California Infrastructure and Economic Development Bank Variable Rate Revenue Bonds (The J. Paul Getty Trust), Series 2003A, Series 2003B, Series 2003C and Series 2003D issued in May 2003 to finance and refinance a portion of the renovation and improvement costs of the Getty Villa Project (the "2003 Bonds"); and (iii) \$85 million outstanding principal amount of California Infrastructure and Economic Development Bank Variable Rate Revenue Bonds (The J. Paul Getty Trust), Series 2004A and Series 2004B issued in September 2004 to refund certain outstanding indebtedness of the Getty Trust and to finance a portion of the construction and improvement costs of certain facilities at the Getty Center (the "2004 Bonds").

Commercial Paper Notes. On three occasions since May 2002, the Getty Trust has issued tax-exempt commercial paper notes ("Notes"), in aggregate principal amounts ranging from \$38 million to \$120 million, to provide interim financing for Getty Villa Project expenses, art and library acquisitions, and capital improvements at the Getty Center (the "Commercial Paper Program"). The maximum amount of Notes outstanding pursuant to the Commercial Paper Program at any one time has been \$151 million. As of June 30, 2005, such Notes had been repaid in full and no Notes have been outstanding since that time.

Pursuant to the Commercial Paper Program, the Getty Trust is currently authorized to borrow up to \$225 million in Notes for the purposes stated above. In September 2003, however, the Board adopted a resolution limiting the maximum aggregate principal amount of Notes outstanding at any time thereafter to \$40 million. The Getty Trust currently does not have plans to issue any Notes. See "Future Borrowings" below.

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Interest Rate Swap Agreements. The Getty Trust has entered into interest rate swap transactions in connection with the 2003 Bonds, the 2004 Bonds and the Series 2007A Bonds described in this Official Statement. Under each primary swap transaction, the Getty Trust receives payments that are calculated by reference to a floating interest rate based on a market index applied to a notional amount and makes payments that are calculated by reference to a fixed interest rate applied to that notional amount.

The following primary swap transactions were outstanding as of October 18, 2007:

Bonds	Notional Amount	Swap Counterparty	Paying Rate	Receiving Rate	Maturity Date
2003	\$137,500,000	Morgan Stanley Capital Services Inc. ⁽¹⁾	3.670%	70% of One Month LIBOR	4/1/2033
2003	137,500,000	JPMorgan Chase Bank	3.670	70% of One Month LIBOR	4/1/2033
2004	41,457,500	Morgan Stanley Capital Services Inc. ⁽¹⁾	3.750	67% of One Month LIBOR less 0.2%	10/1/2023
2004	41,457,500	JPMorgan Chase Bank	3.750	67% of One Month LIBOR less 0.2%	10/1/2023
2007A	135,237,500	Bear Stearns Financial Products Inc.	3.384	62.5% of One Month LIBOR	10/1/2047
2007A	135,237,500	Morgan Stanley Capital Services Inc. ⁽¹⁾	3.384	62.5% of One Month LIBOR	10/1/2047
Total	\$628,390,000				

The Getty Trust has also entered into secondary interest rate swap transactions in connection with the portion of the 2003 Bonds and the 2004 Bonds that have been remarketed in a fixed interest rate mode through December 1, 2011. Under each secondary swap transaction, the Getty Trust makes payments that are calculated by reference to a floating interest rate based on a market index applied to a notional amount and receives payments that are calculated by reference to a fixed interest rate applied to that notional amount.

Bonds	Notional Amount	Swap Counterparty	Paying Rate	Receiving Rate	Maturity Date
2003	\$70,000,000	Morgan Stanley Capital Services Inc. ⁽¹⁾	BMA	3.779%	12/1/2011
2003	70,000,000	JPMorgan Chase Bank	BMA	3.779	12/1/2011
2004	20,728,750	Morgan Stanley Capital Services Inc. ⁽¹⁾	BMA	3.769	12/1/2011
2004	20,728,750	JPMorgan Chase Bank	BMA	3.769	12/1/2011
Total	\$181,457,500				

⁽¹⁾ Morgan Stanley Capital Services Inc. is a subsidiary of Morgan Stanley. All swap obligations of Morgan Stanley Capital Services Inc. are fully and unconditionally guaranteed by Morgan Stanley.

All of the above-described interest rate swap agreements entail risk to the Getty Trust. The swap counterparties may fail or be unable to perform, interest rates may vary from assumptions and the Getty Trust may be required to make significant payments in the event of an early termination of an interest rate swap. The Getty Trust believes that if any such events were to occur, they would not have a material adverse impact on the financial position of the Getty Trust.

Debt Management Policy

In January 2003, the Trustees approved a Debt Management Policy that provides the Getty Trust's management with guidelines regarding the issuance and management of both short-term and long-term debt. The Debt Management Policy references the purposes and uses of debt by the Getty Trust, including development of debt limits, specifying debt standards and debt structure considerations, and describing the debt administration process, including the annual review of the Getty Trust's debt portfolio by the Board.

Under the Debt Management Policy, tax-exempt debt is limited by the availability of non-endowment revenues to support annual debt service; tax-exempt debt generally will not be incurred unless income to be derived from operations other than investment income is sufficient to meet annual debt service requirements. Under the Debt Management Policy, taxable debt is limited by the availability of unrestricted endowment funds to support annual debt service, and the total amount of debt is limited to an amount equal to 20% of the unrestricted endowment funds of the Getty Trust. However, the Getty Trust may be out of compliance with the Debt Management Policy from time to time because compliance depends in part upon investment performance. The Debt Management Policy may be amended or terminated at any time by the Board, and the Loan Agreement described in the Official Statement (the "Loan Agreement") does not impose upon the Getty Trust any limits on outstanding indebtedness. As of October 2, 2007, the Getty Trust had a total principal amount of \$610 million in long-term debt outstanding (see "Outstanding Debt—*Bonds*" above), and unrestricted endowment funds of the Getty Trust totaled approximately 15 times such outstanding indebtedness.

Future Borrowings

Management of the Getty Trust does not anticipate the need to incur any additional debt. Nevertheless, changes in economic conditions or in the Investment Policy, or other changes, may lead management to determine that incurring additional debt is in the interest of the Getty Trust. The Getty Trust is not restricted by the Loan Agreement or otherwise from incurring additional debt. Any such additional debt would, however, be subject to the prior approval of the Board.

Capital Projects

Regular capital investments are expected to occur at both the Getty Center and the Getty Villa in the coming years.

Insurance

The Getty Trust currently maintains insurance on all properties owned and leased by the Getty Trust. These policies include fixed-asset coverage for fire, theft, malicious mischief, vandalism, earthquake and flood damage to the buildings, tenant improvements, contents and electronic data processing equipment. In addition to this coverage, the Getty Trust also carries fine arts insurance, automobile liability, general liability, directors' and officers' liability, and fiduciary liability insurance and other specialized coverage, such as specialized fine arts and property coverage for terrorist acts. Limits of liability are determined by the Risk Management Department of the Getty Trust in conjunction with advice obtained from the Getty Trust's

insurance consultants. Coverage limits are generally less than the full replacement value of insured property, but are based on maximum probable loss studies.

Events such as acts of terrorism or other natural catastrophes affecting the insurance industry may cause the cost of insurance to rise or particular types of coverage to become unavailable in the future. The insurance that the Getty Trust currently maintains may not be available for renewal, the Getty Trust may terminate or elect not to renew its existing insurance coverage if it concludes that the cost of such insurance is economically unreasonable or for other reasons, and the insurance maintained by the Getty Trust, including its existing coverage and any coverage it may obtain in the future, may not be adequate to cover all potential claims and losses. The Getty Trust is not required by the Loan Agreement or otherwise to maintain insurance of any kind.

OTHER PERTINENT INFORMATION

Employees and Volunteers

As of August 30, 2007, the Getty Trust and its various programs had approximately 1,550 full-time equivalent employees and approximately 850 volunteers and docents. The Getty Trust's employees are not unionized and management believes that its current relationship with employees is positive.

Legal Matters

California Attorney General Investigation. In July 2005, the Attorney General of the State of California (the "Attorney General") commenced an investigation of the Getty Trust to determine whether any officers or Trustees of the Getty Trust violated any provisions of California law applicable to charitable trusts or any legal duties of officers and trustees of charitable trusts.

The Attorney General's investigation primarily related to compensation and reimbursement of expenses of the Getty Trust's former President, Chief Executive Officer and Trustee, Dr. Barry Munitz; his use of employees for personal errands; specified grants and expenditures by the Getty Trust made at Dr. Munitz's directions; separation agreements entered into with two former employees; the Getty Trust's 2002 sale of a parcel of land; facts surrounding a book contract (since terminated) between the Getty Trust and Dr. David Gardner, a former Chair of its Board; gifts of artworks to retiring Trustees by the Getty Trust (a practice since discontinued); and the payment of certain legal expenses incurred by a then Trustee.

In September 2004, the Getty Trust had entered into an employment agreement with Dr. Gardner, pursuant to which he was to write a book about the history of the Getty Trust. Dr. Gardner's service on the Board had ended in June 2004. Between September 2004 and March 2006, when he resigned, the Getty Trust paid Dr. Gardner approximately \$178,000. In August 2006, Dr. Gardner returned \$99,871 to reimburse (with interest) the Getty Trust for excess compensation, including certain expense reimbursements, paid in connection with his employment. The Attorney General determined that the salary paid to Dr. Gardner, after giving effect to the monies returned, was not improper or excessive. In December 2006, the Getty Trust paid an excise tax of \$9,213 to the Internal Revenue Service as a result of the excess payments previously made to Dr. Gardner.

In November 2005, the Trustees of the Getty Trust formed a special committee of the Board to investigate the matters identified by the Attorney General's investigation and other matters, including matters relating to the Museum's antiquities collection (See "*Claims of Ownership of Art Objects in the Museum's Collection*," below). The Board engaged the law firm of Munger, Tolles & Olson LLP to conduct certain factual inquiries and to advise it in connection with the investigation. Following substantial completion of

the internal investigation in February 2006, the Getty Trust entered into a settlement agreement with Dr. Munitz, under which he resigned as President, Chief Executive Officer and Trustee of the Getty Trust, waived his contractual severance package and any possible claims against the Getty Trust and, without admitting any wrongdoing, paid the Getty Trust \$250,000 to resolve any continuing disputes with him.

In October 2006, the Attorney General issued a report regarding its investigation. The Attorney General found nothing improper in connection with the Getty Trust's sale of the parcel of land in 2002, the grants in question, the reimbursement of the former trustee's legal expenses, the employment and compensation of Dr. Gardner (after giving effect to the money Dr. Gardner returned), the separation agreements with employees, or the compensation of Dr. Munitz. The Attorney General also stated that "during the course of the investigation, we did not find indications that trustees or former president of the Trust, Dr. Munitz, committed any crimes."

The Attorney General determined that while the Getty Trust's prior practice with regard to gifts to Trustees, the reimbursement of Dr. Munitz for various expenses, certain payments to a consultant, and Dr. Munitz's use of employees for personal errands were improper, "the Trust ha[d] been compensated for the losses as a result of the settlement between the Trust and Dr. Munitz." The Attorney General further stated that "the amount paid to or saved by the Trust as a result of its settlement with Dr. Munitz exceeds the amount of the losses suffered by the Trust from improper expenditures." As a result, the Attorney General stated that he had "decided not to take any legal action against Dr. Munitz or the trustees." The Getty Trust has made the Attorney General's report publicly available by posting it at www.getty.edu/about/governance/caag_report.html.

Following the initiation of the Attorney General's investigation, the Getty Trust voluntarily instituted a number of policy and procedural changes designed to prevent potential problems such as those that had been the focus of the Attorney General's investigation. The most significant of these changes included Board approval of significant real estate sales and purchases, limitations on and review of business expenses, prohibitions on personal use of employees and gifts to departing Trustees, and a new centralized grant administration function. In addition, the Getty increased its commitment to transparency, posting extensive information about the Trust and its finances at www.getty.edu/about/governance, and enhanced the options available to employees concerned about apparent misconduct by providing a phone and web-based anonymous reporting system.

In conjunction with the issuance of his report, and with the consent of the Getty Trust, the Attorney General appointed an independent monitor to review implementation of these newly-adopted or revised policies and procedures. The Getty Trust agreed to make reports to the Attorney General's office every six months until January 31, 2008; with those reports to be reviewed by the independent monitor (former Attorney General John Van de Kamp), who was empowered to seek additional information from the Getty Trust before preparing his own reports to the Attorney General. The Getty Trust submitted the first of its three reports on January 31, 2007, and the second on July 31, 2007. The Independent Monitor's first and second reports are dated March 30, 2007 and September 28, 2007.

The Getty Trust has also engaged Deloitte Financial Advisory Services LLP to assist the Getty Trust in assessing its implementation of and compliance with its new and revised policies and procedures. Based on procedures developed solely by the firm, Deloitte reviews compliance with policies and procedures related to business expenses, grants, human resources, conflict of interest compliance and employee complaints and whistle blowing.

The Attorney General also submitted interrogatories and requests for documents relating to the acquisition of certain objects in the Museum's antiquities collection. See "*Claims of Ownership of Art Objects in the Museum's Collection*," below. The Getty Trust has responded to all such interrogatories and

requests. The Attorney General has not advised the Getty Trust whether the Attorney General believes any violation of law has occurred or whether the Attorney General will initiate legal proceedings against the Getty Trust or any of its current or former officers or Trustees arising out of the investigation of matters relating to the Museum's antiquities collection. The Getty Trust believes that none of such proceedings, if instituted, would materially impair the Getty Trust's financial position or its ability to pay debt service on the Bonds or any of its indebtedness or other obligations.

Claims of Ownership of Art Objects in the Museum's Collection. The ownership history of an art object is known as its provenance. Establishing the definitive provenance of an art object is often difficult and may be impossible, the challenge often increasing with the age of the object. The Museum's collection includes over 44,000 Greek, Roman and Etruscan antiquities. It also contains paintings and other objects with provenance gaps during the Nazi era (1933-45).

Although the Getty Trust has adopted and updated its acquisition policies and procedures over the years – most recently in October 2006, as discussed under “GOVERNANCE AND MANAGEMENT – Board of Trustees” – gaps nevertheless persist. Gaps in the provenance of objects in the Museum's collection, as well as other factors, have led to the assertion by others of claims of ownership to certain objects in the Museum's collection. The Museum has returned some objects over the years as a result of such claims.

Pending and recently concluded ownership claims involving antiquities are described below. Two claims involving other objects are pending and the Getty Trust expects that additional claims may be asserted in the future. The possible consequences of both the pending and any future claims include the return by the Museum, without compensation, of the items that are the subjects of the claims. The Getty Trust believes that such returns, should they occur, would not, whether considered individually or in the aggregate, materially impair the Getty Trust's financial position or its ability to pay debt service on the Bonds or any of its indebtedness or other obligations. None of the objects in the Museum's collection is pledged as security for the Bonds or any other indebtedness.

In April 2005, after a lengthy investigation by an Italian prosecutor, a judge in Italy determined that Dr. Marion True, the Curator of Antiquities for the Museum from 1986 until her retirement in October 2005, should be charged with conspiring to traffic in art objects that were allegedly illegally excavated or illegally exported from Italy and related crimes. Her trial began in Rome in 2005 and is ongoing.

In connection with the investigation and prosecution of Dr. True and her alleged co-conspirators (three art dealers from whom the Getty Trust has purchased objects), various governmental authorities in Italy have asserted claims against objects in the Museum's antiquities collection. Neither the Getty Trust nor any other employees of the Getty Trust nor any Trustees of the Getty Trust has been charged in the case against Dr. True or in any other related proceeding.

The United States, acting on behalf of the Italian Government, brought a forfeiture action against an object in the Museum's antiquities collection in April 2004; that action was settled in September 2005 in connection with the return of the object and two other objects in the Museum's collection to Italy. To the Getty Trust's knowledge, no other such actions by or on behalf of any Italian governmental entity are currently pending, although various governmental authorities in Italy and elsewhere have threatened to initiate such actions.

Since January 2006, the Getty Trust has been engaged in negotiations with the Italian Ministry of Culture over a number of objects claimed by the Italian State. Pursuant to an agreement signed in September 2007, the Getty Museum will send 40 objects to Italy, including the Aphrodite or “Cult Statue of a Goddess.” Of these 40 objects, four have already been sent to Italy, thirty-five are scheduled to be returned over the next

several months, and the “Cult Statue of a Goddess” will remain on display at the Getty Villa until 2010. The Getty Trust and the Italian State have agreed to broad cultural collaboration that will include loans of significant art works, joint exhibitions, research, and conservation projects. The Getty Trust and the Italian State also have agreed to defer further discussions on the “Statue of a Victorious Youth” (77.A.B.30).

In the mid-1990’s, the Hellenic Republic asserted claims against four objects in the Museum’s collection. Correspondence between the parties was inconclusive, with the Greek Government ultimately discontinuing those communications. In 2005, the Greek Ministry of Culture renewed its demands and threatened to bring legal proceedings against the Getty Trust related to the four objects. In 2006 and 2007, after further review of the evidence and negotiating sessions with representatives of the Greek Government, the Getty Trust transferred the four claimed objects to the Greek State. The Hellenic Republic has in the course of negotiations stated its intention to provide long-term loans of objects of equal importance to those returned as well as other forms of cultural cooperation.

Nonetheless, in January 2007 Marion True was ordered to stand trial on charges relating to the acquisition of some of the objects returned to Greece in 2006 and 2007. The Greek State has not charged the Getty Trust itself or any other employee, or Trustees of the Getty Trust, in the case against Dr. True or in any other proceeding.

In 2006, the Turkish Government contacted the Getty Trust to inquire about certain objects in the Museum’s collection that are identified on the Getty Trust’s website as originating in areas that are part of modern-day Turkey. No formal claims have been made to any of these objects, and the Getty Trust is in the process of evaluating the information relating to them.

In December 2006, the Getty Trust’s outside counsel was contacted by an attorney acting on behalf of a party interested in the recovery of an item in the Museum’s collection believed to be from ancient Armenia. No formal claim has been made to this item, and the Getty Trust is in the process of evaluating the information relating to it.

In late August 2007, the Museum was contacted by a party interested in the recovery of an item in the Museum’s collection believed to be from ancient Cyprus. No formal claim has been made to this item and the Getty Trust is in the process of evaluating the information relating to it.

Other Legal Matters. The Getty Trust is involved in a number of other legal proceedings arising in the ordinary course of its affairs. Management of the Getty Trust does not expect such other legal proceedings, if determined adversely to the Getty Trust, to have a material effect on the Getty Trust’s financial position.

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APPENDIX B

**FINANCIAL STATEMENTS OF THE GETTY TRUST FOR
THE YEARS ENDING JUNE 30, 2006 AND 2005**

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THE J. PAUL GETTY TRUST

Financial Statements

June 30, 2006 and 2005

(With Independent Auditors' Report Thereon)

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KPMG LLP
Suite 700
600 Anton Boulevard
Costa Mesa, CA 92626-7651

Independent Auditors' Report

The Board of Trustees
The J. Paul Getty Trust:

We have audited the accompanying statements of financial position of The J. Paul Getty Trust (the Trust) (a tax-exempt, private operating foundation) as of June 30, 2006 and 2005, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The J. Paul Getty Trust as of June 30, 2006 and 2005, and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

KPMG LLP

September 15, 2006

THE J. PAUL GETTY TRUST

Statements of Financial Position

June 30, 2006 and 2005

(Amounts in thousands)

Assets	2006	2005
Cash	\$ 264	119
Receivables:		
Investments	42,689	85,923
Interest and dividends	5,842	6,331
Other	2,312	2,471
Investments	5,359,889	4,933,611
Investments loaned under securities lending agreement	197,216	204,209
Investments whose use is limited	1,609	39,854
Collateral held under securities lending agreement	201,678	209,639
Property and equipment, net	1,433,930	1,396,906
Collections and other assets	1,777,432	1,708,818
	\$ 9,022,861	8,587,881
	9,022,861	8,587,881
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 25,783	23,971
Payables on investment purchases	29,306	136,162
Accrued and other liabilities	107,708	112,305
Grants payable, net	11,196	7,841
Payable under securities lending agreement	201,678	209,639
Bonds payable, net of bond issue discount of \$1,268 and \$1,315 in 2006 and 2005, respectively	616,237	619,685
	991,908	1,109,603
Net assets:		
Unrestricted	8,029,472	7,476,951
Temporarily restricted	1,161	1,027
Permanently restricted	320	300
	8,030,953	7,478,278
	\$ 9,022,861	8,587,881

See accompanying notes to financial statements.

THE J. PAUL GETTY TRUST
 Statements of Activities
 Years ended June 30, 2006 and 2005
 (Amounts in thousands)

	2006	2005
Change in unrestricted net assets:		
Operating revenue and expenses:		
Support and revenue:		
Endowment funds used for operations	\$ 225,000	224,300
Sales and other income, net	13,590	12,123
Contributions	36,197	2,545
Net assets released from restriction	488	239
Total support and revenue	275,275	239,207
Expenses:		
Program services:		
Museum	115,623	103,812
Research and library	55,827	60,684
Conservation	43,281	42,637
Education	10,075	10,642
Grants	40,107	38,015
Total program services	264,913	255,790
Supporting services:		
General and administrative	28,655	31,264
Total expenses	293,568	287,054
Operating loss, net	(18,293)	(47,847)
Nonoperating revenue and expenses:		
Interest and dividend income, net	66,010	79,318
Net realized and unrealized gains on investments	711,047	461,776
Unrealized gain (loss) on interest rate swap agreements	23,337	(22,809)
Reserve for impairment of assets	(4,580)	(45,685)
Endowment funds used for operations	(225,000)	(224,300)
Nonoperating revenue and expenses, net	570,814	248,300
Change in unrestricted net assets	552,521	200,453
Change in temporarily restricted net assets:		
Contributions	622	391
Net assets released from restriction	(488)	(239)
Change in temporarily restricted net assets	134	152
Change in permanently restricted net assets:		
Contributions	20	25
Change in net assets	552,675	200,630
Net assets, beginning of year	7,478,278	7,277,648
Net assets, end of year	\$ 8,030,953	7,478,278

See accompanying notes to financial statements.

THE J. PAUL GETTY TRUST

Statements of Cash Flows

Years ended June 30, 2006 and 2005

(Amounts in thousands)

	2006	2005
Cash flows from operating activities:		
Change in net assets	\$ 552,675	200,630
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	45,012	34,749
Net realized and unrealized gains on investments	(711,047)	(461,776)
Unrealized (gain) loss on interest rate swap agreements	(23,337)	22,809
Change in minimum retirement liability	14,715	23,113
Noncash contributions of art	(34,294)	(1,453)
Reserve for impairment of collections	4,580	45,685
Contributions restricted for long-term investment	(20)	(25)
Loss (gain) on disposition of property and equipment	746	(616)
Amortization of bond discount and issuance costs	47	1,393
Changes in operating assets and liabilities:		
Interest and dividends receivable	489	6,855
Other receivables	159	1,390
Other assets	(35,102)	(27,349)
Accounts payable	1,812	1,409
Accrued and other liabilities	227	278
Grants payable	3,355	(2,180)
Net cash used in operating activities	(179,983)	(155,088)
Cash flows from financing activities:		
Proceeds from bond issuance	—	96,000
Payments on bonds payable	(3,495)	(95,645)
Contributions restricted for long-term investment	20	25
Net cash (used in) provided by financing activities	(3,475)	380
Cash flows from investing activities:		
Proceeds from sales of investments	5,155,169	17,454,525
Purchases of investments	(4,825,162)	(17,076,010)
Decrease in investments receivable	43,234	1,382
Decrease in payables on investment purchases	(106,856)	(126,326)
Proceeds from sale of property and equipment	103	29
Purchases of property and equipment	(82,885)	(99,224)
Net cash provided by investing activities	183,603	154,376
Net increase (decrease) in cash	145	(332)
Cash, beginning of year	119	451
Cash, end of year	\$ 264	119
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest, net of amounts capitalized of \$5,768 and \$8,601 as of June 30, 2006 and 2005, respectively	\$ 24,359	11,857

See accompanying notes to financial statements.

THE J. PAUL GETTY TRUST

Notes to Financial Statements

June 30, 2006 and 2005

(1) Organization

The J. Paul Getty Trust (the Trust) is a tax-exempt, private operating foundation whose mission serves both general audiences and specialized professionals. The Trust is a cultural and educational institution that focuses on the visual arts in all of their dimensions and their capacity to strengthen and to inspire aesthetic and humanistic values. It is dedicated to the presentation, enjoyment, study, and conservation of the visual arts and humanities in order to offer the public opportunities to more fully understand, experience, value, and preserve the world's art and cultural heritage.

(2) Summary of Significant Accounting Policies

(a) *Basis of Financial Presentation*

The accompanying financial statements have been prepared on the accrual basis of accounting.

The Trust recognizes contributions, including unconditional promises to give, as revenue in the period received. Contributions and net assets are classified based on the existence or absence of donor-imposed restrictions. As such, the net assets of the Trust and changes therein are classified and reported as follows:

- **Unrestricted net assets** – Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in carrying out the Trust's mission. As of June 30, 2006 and 2005, unrestricted net assets totaled \$8,029,472,000 and \$7,476,951,000, respectively.
- **Temporarily restricted net assets** – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Trust and/or the passage of time. As the restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying financial statements as net assets released from restrictions. Donor-restricted contributions received and expended in the same reporting period are recorded as unrestricted support. As of June 30, 2006 and 2005, temporarily restricted net assets totaled \$1,161,000 and \$1,027,000, respectively.
- **Permanently restricted net assets** – Net assets subject to donor-imposed stipulations that resources be maintained in perpetuity. Investment income generated from these funds is available for general support of the Trust's programs and operations unless otherwise stipulated by the donor. As of June 30, 2006 and 2005, permanently restricted net assets totaled \$320,000 and \$300,000, respectively.

(b) *Investments*

Investments in equity securities with readily determinable market values and all debt securities are stated at fair value at June 30, 2006 and 2005. Fair value is determined based on quoted market prices. To increase expected returns and provide further diversification to the investment portfolio, the Trust has been increasing its allocation to alternative investments where no readily determinable market value exists. A significant portion of the Trust's alternative investments is made up of limited partnerships, which include private equity, venture capital, hedge funds, distressed debt, and

THE J. PAUL GETTY TRUST

Notes to Financial Statements

June 30, 2006 and 2005

real assets. Limited partnerships invest in both publicly traded and private securities and are reported at fair value. Unrealized gain or loss on investments is recorded in the statements of activities. Investment purchases and sales are recorded on a trade-date basis. Dividend income is recorded based upon the ex-dividend date, and interest income is recorded as earned on an accrual basis. The allocation of cost to a sale, where part of a holding is disposed of, is based on specific identification.

Futures, forwards, and options contracts are marked to market with the change reflected in net realized and unrealized gains on investments in the accompanying statements of activities.

(c) Property and Equipment

Property and equipment are recorded at cost and depreciated on a straight-line basis over the estimated useful lives of the respective assets or amortized over the terms of the respective leases, whichever is shorter, as follows:

Buildings	25 to 50 years
Building improvements	Up to 25 years
Leasehold improvements	Lesser of life of asset or lease term
Furniture, equipment and exhibits	4 to 25 years

The Trust reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of property, buildings, equipment, and exhibits may not be recoverable. If such asset is considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset. No events occurred giving rise to any material impairment loss during the fiscal years ended June 30, 2006 and 2005.

(d) Collections and Other Assets

Included in collections and other assets are the Trust's collections which are comprised of art objects, artifacts of historical significance, and the research and photographic libraries that are held for exhibition and educational, research, and curatorial purposes. Collection items are recorded at cost if purchased or, if contributed, at appraised value at the date of contribution. As of June 30, 2006 and 2005, the Trust's collection totaled \$1,761,932,000 and \$1,699,910,000, respectively.

The publication inventory, also carried as a component of collections and other assets, is carried at the lower of cost or estimated net realizable value, totaling \$6,265,000 and \$6,211,000 at June 30, 2006 and 2005, respectively.

Objects in the Trust's collection may be subject to decreases in value due to changes in attribution. In addition, objects in the Trust's collection may be subject to forfeiture or other claims made by individuals, for example, objects appropriated during the Nazi era, or by countries related to the

THE J. PAUL GETTY TRUST

Notes to Financial Statements

June 30, 2006 and 2005

return of cultural property. The Trust closely monitors these risks, and when it is determined that the value of an item may be impaired and the loss can be estimated, the Trust adjusts the value of the assets by establishing a reserve. The Trust established an antiquities reserve of \$45,685,000 during the year ended June 30, 2005. The reserve was increased to \$50,265,000 as of June 30, 2006 as a result of additional information provided to the Trust.

(e) *Endowment Funds Used for Operations*

As a part of the annual budgeting process, the Trustees approve a spending level from accumulated endowment gains. Such amount is reflected in the accompanying statements of activities as operating revenues. The amount is offset by a nonoperating charge in the same amount, also entitled endowment funds used for operations.

(f) *Grant Expenditures*

Grant expenditures are recognized as expense in the period the grant is approved, provided the grant is not subject to future contingencies. Grants payable that are expected to be paid in future years are recorded at the present value of expected future payments. Grants payable have been discounted at rates ranging from 3% to 5% at June 30, 2006.

(g) *Contributed Services*

Contributed services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Trust receives a significant amount of contributed time from unpaid volunteers that does not meet the two recognition criteria described above. Accordingly, the value of this contributed time is not reflected in the accompanying financial statements.

(h) *Functional Allocation of Expenses*

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities. Certain costs have been allocated among the programs and supporting services benefited based on management's estimates.

(i) *Fair Value of Financial Instruments*

The carrying value of the Trust's financial instruments, not otherwise disclosed herein, is comparable to the fair value due to the short-term nature of these financial instruments. Additionally, bonds payable also approximate fair value.

(j) *Use of Estimates*

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

THE J. PAUL GETTY TRUST

Notes to Financial Statements

June 30, 2006 and 2005

(k) Income Taxes

The Trust has been classified as a tax-exempt private operating foundation under Sections 501(c)(3) and 4942(j)(3) of the Internal Revenue Code (IRC) and Section 23701(d) of the California Revenue and Taxation Code. The Trust also qualifies as an exempt operating foundation as described in IRC 4940(d)(2) and, as such, is not subject to federal excise taxes on its net investment income under IRC Section 4940.

(l) Reclassifications

Certain reclassifications have been made to the 2005 financial data to conform to the 2006 presentation.

(3) Investments

At June 30, 2006 and 2005, the Trust's investments, at fair value, consist of the following:

	2006	2005
	(Amounts in thousands)	
Short-term investments	\$ 210,612	198,709
U.S. Treasury and agency securities	274,188	391,927
Corporate bonds	118,948	146,870
Alternative investments	3,674,686	3,123,918
Common stocks	1,021,394	1,084,252
Mutual funds	258,886	231,998
	\$ 5,558,714	5,177,674
Investments	\$ 5,359,889	4,933,611
Investments loaned under secured lending agreement	197,216	204,209
Investments whose use is limited	1,609	39,854
	\$ 5,558,714	5,177,674

(a) Investments and Transactions Pending Settlement

Below is a summary of investments and pending trade transactions as of June 30, 2006 and 2005:

	2006	2005
	(Amounts in thousands)	
Investments at market value	\$ 5,558,714	5,177,674
Investment sales pending settlement	42,689	85,923
Investment purchases pending settlement	(29,306)	(136,162)
	\$ 5,572,097	5,127,435

THE J. PAUL GETTY TRUST

Notes to Financial Statements

June 30, 2006 and 2005

(b) *Investments Whose Use Is Limited*

Investments whose use is limited consists of unspent bond proceeds whose uses are limited by terms of their respective agreements. See note 8 for further discussion. Also included are amounts restricted by donors for investment in perpetuity. As of June 30, 2006 and 2005, investments whose use is limited totaled \$1,609,000 and \$39,854,000, respectively.

(4) **Derivative Financial Instruments**

In the normal course of business, the Trust uses various financial instruments, including derivative financial instruments, to hedge the Trust's exposure to certain risks.

The Trust primarily uses a combination of forward contracts and futures to manage price, currency, and interest rate exposures associated with specific activities. Under these instruments, the Trust agrees to the future delivery of a currency or security, on an agreed-upon date, and at an agreed-upon price. These contracts are entered into with the intention to minimize the Trust's economic exposure to adverse fluctuations in financial or currency markets and to reduce interest rate risk.

The Trust also enters into derivative instruments as an alternative to ownership of the underlying asset. Specifically, forward contracts are used as an alternative to ownership.

All of the Trust's derivative instrument positions are marked to fair value as a component of the change in net assets in the accompanying statements of activities. These amounts are included in investments in U.S. Treasury and agency securities and short-term investments as presented in note 3.

The notional units and fair values of forward contracts and futures as of June 30, 2006 and 2005 are as follows (amounts in thousands):

	2006		2005	
	Notional units	Fair value	Notional units	Fair value
Forward contracts	12,303	\$ 17,927	37,138	\$ 36,379
Futures	68,588	65,234	451,100	151,736
		\$ 83,161		\$ 188,115

The Trust's derivative instruments involve varying degrees of risk of loss in excess of the amount recognized in the statements of financial position, arising either from potential changes in market prices or the possible inability of counterparties to meet the terms of their contracts. The Trust's investment advisors closely monitor the financial condition of the firms used for these contracts in order to minimize the risk of loss. Management believes the Trust's use of derivatives does not result in credit or market risk that would materially affect the Trust's financial position.

THE J. PAUL GETTY TRUST

Notes to Financial Statements

June 30, 2006 and 2005

(5) Securities Lending

The Trust participates in securities lending transactions with a third-party investment company whereby the Trust lends investments in exchange for a premium. Under the terms of its securities lending agreement, the Trust requires collateral of a value at least equal to 102% of the then fair value of the loaned investments (105% for loaned securities not denominated in United States dollars). The Trust maintains effective control of the loaned investments during the term of the agreement, in that they may be redeemed by the Trust prior to the agreement's maturity. Upon the maturity of the agreement, the borrower must return the same, or substantially the same, investments that were borrowed. The risks to the Trust of securities lending transactions are that the borrower may not provide additional collateral when required or may not return the investments when due. Investments loaned under securities lending transactions totaled \$197,216,000 and \$204,209,000 as of June 30, 2006 and 2005, respectively. Cash and noncash financial instruments received as collateral totaled \$199,074,000 and \$2,604,000 as of June 30, 2006, respectively, and \$207,053,000 and \$2,586,000 as of June 30, 2005, respectively. Amounts received as collateral are separately disclosed as an asset and as a payable under securities lending agreement in the accompanying statements of financial position as of June 30, 2006 and 2005.

(6) Property and Equipment

At June 30, 2006 and 2005, property and equipment consist of the following:

	<u>2006</u>	<u>2005</u>
	(Amounts in thousands)	
Land and improvements	\$ 61,991	47,539
Buildings	1,595,185	1,264,006
Leasehold improvements	6,736	6,004
Furniture and equipment	99,584	73,389
Work in progress	22,798	315,404
	<u>1,786,294</u>	<u>1,706,342</u>
Less accumulated depreciation and amortization	<u>(352,364)</u>	<u>(309,436)</u>
	<u>\$ 1,433,930</u>	<u>1,396,906</u>

THE J. PAUL GETTY TRUST

Notes to Financial Statements

June 30, 2006 and 2005

(7) Grants Payable

Grants payable consist of approved grant commitments that are expected to be paid in the following fiscal years ending June 30 (amounts in thousands):

2007	\$	6,558
2008		2,255
2009		2,060
2010		642
2011		—
Thereafter		100
		<hr/> 11,615
Less discount to reflect grants payable at present value		<hr/> (419)
Net grants payable	\$	<hr/> <hr/> 11,196

(8) Bonds Payable

Outstanding bonds payable consists of the following issues:

(a) 2003 Variable Rate Revenue Bonds

On May 12, 2003, the Trust issued \$275,000,000 in variable rate revenue bonds issued by the California Infrastructure and Economic Development Bank, which mature on April 1, 2033. Proceeds were to be used to finance a portion of the Getty Villa renovation and the bond issuance costs. Interest rates are adjusted when the bonds are remarketed. The bonds are remarketed for periods ranging from six months to a year. During the remarketing period from May 13, 2004 until February 1, 2005, interest was accrued at a rate of 1.17% and was payable based on the respective bond series' mode payment terms. During the remarketing period from February 2, 2005 until February 1, 2006, interest accrued at a rate of 2.25%. On February 2, 2006, the bonds were remarketed in two tranches. The first tranche of \$140,000,000 was remarketed at an interest rate of 3.17% and will be remarketed again on August 1, 2006. The second tranche of \$135,000,000 was remarketed at an interest rate of 3.25% and will be remarketed again on February 1, 2007. The redemption period for the bonds begins April 1, 2012 and ends April 1, 2033. Accrued interest on the bonds as of June 30, 2006 and 2005 was \$2,206,000 and \$1,564,000, respectively.

(b) 2003 Taxable Bonds

On October 1, 2003, the Trust issued \$250,000,000 Series 2003 Taxable Bonds. The bonds, maturing on October 1, 2033, were issued with a coupon interest rate of 5.875%, which is payable semiannually on April 1 and October 1. The proceeds are being used to finance or refinance capital projects of the Trust, including but not limited to the acquisition of objects of art. A portion of such proceeds was also used to retire the Trust's outstanding commercial paper liability. The bonds were issued with an original issue discount that totaled \$1,392,000. The discount is being amortized over

THE J. PAUL GETTY TRUST

Notes to Financial Statements

June 30, 2006 and 2005

30 years, which is consistent with the life of the bonds. The bonds are subject to redemption beginning October 1, 2013. Accrued interest on the bonds as of both June 30, 2006 and 2005 was \$3,672,000.

(c) 2004A and 2004B Variable Rate Revenue Bonds

On September 1, 2004, the Trust issued \$96,000,000 in variable rate revenue bonds. The bonds mature on October 1, 2023. Proceeds were used to refund \$95,645,000 of the outstanding principal amount of the Trust's 1994 Revenue Bonds. Following an initial one-year put, during which interest accrued at 1.62%, the bonds were to be remarketed in October 2005. The Trust chose not to remarket the bonds until February 2, 2006. The bonds were remarketed in two tranches. The first tranche of \$46,255,000 was remarketed at an interest rate of 3.17% and will be remarketed again on August 1, 2006. The second tranche of \$46,250,000 was remarketed at an interest rate of 3.25% and will be remarketed again on February 1, 2007. The Trust remitted a principal pay-down of \$3,495,000 as of June 30, 2006. Accrued interest on the bonds as of June 30, 2006 and 2005 was \$749,000 and \$380,000, respectively.

The following is a schedule by year of future maturities for the outstanding bond obligations as of June 30 (amounts in thousands):

	<u>Principal amount</u>
Year ending June 30:	
2007	\$ 3,645
2008	3,780
2009	3,925
2010	4,075
2011	4,235
Thereafter	<u>597,845</u>
	617,505
Less bond issue discount	<u>(1,268)</u>
	<u>\$ 616,237</u>

(9) Interest Rate Swap Agreements

In conjunction with the issuance of variable rate bonds, the Trust entered into interest rate swap agreements with two counterparties. The swap agreements for each variable rate bond are as follows:

(a) 2003 Variable Rate Revenue Bonds Swap Agreement

In connection with the issuance of \$275,000,000 in variable rate demand bonds (Series 2003A-D) discussed in note 8(a), the Trust entered into interest rate swap agreements with two counterparties in May 2003, which became effective May 13, 2004 and will terminate April 1, 2033. The swap agreements for each counterparty are against a notional amount of \$137,500,000, for a total notional amount of \$275,000,000. The Trust receives payments from the counterparties based on 70% of

THE J. PAUL GETTY TRUST

Notes to Financial Statements

June 30, 2006 and 2005

one-month LIBOR and pays the swap counterparties 3.67% in return. During the years ended June 30, 2006 and 2005, the valuation of these agreements resulted in a net unrealized gain of \$29,973,000 and in a net unrealized loss of \$25,253,000, respectively.

In connection with the remarketing of the 2003 Variable Rate Revenue Bonds on February 2, 2006, the Trust entered into additional interest rate swap transactions with the same two counterparties involved with the initial swap transaction. The notional amount of the swap agreements totaled \$275,000,000. Under these additional interest rate swaps, the Trust received payments calculated by reference to a fixed interest rate of 3.305% and made payments calculated by reference to the weekly BMA Municipal Swap Index. During the year ended June 30, 2006, the valuation of these swap agreements resulted in a net unrealized loss of \$514,000. The swap agreements terminate in two tranches. Notional amounts of \$140,000,000 and \$135,000,000 terminate on August 1, 2006 and February 1, 2007, respectively.

(b) 2003 Taxable Bonds Swap Agreement

In October 2004, the Trust entered into a fixed-to-floating swap agreement with two counterparties in conjunction with the \$250,000,000 taxable bond transaction that the Trust had completed in October 2003 (Series 2003) discussed in note 8(b). The notional amount of the swap agreement matched the notional amount of the bonds. Under the initial terms of the swap agreement, the Trust received a fixed rate of 5.092% from each counterparty and paid the counterparties a one-month LIBOR extending through maturity of the bonds. Simultaneously, these swaps also effectively reversed the floating rate payments through October 1, 2009 by adding a provision that through that date the Trust pays a fixed rate of 3.931% and receives a one-month LIBOR that mirrored the LIBOR it was paying. In February 2005, the Trust revised the original swap terms by selling the counterparties an option to cancel the fixed-to-floating swap agreement beginning October 1, 2013. In exchange, the Trust receives a higher fixed rate payment of 5.325% on the notional amount of \$250,000,000, through the planned termination date of October 1, 2033, and makes a fixed payment of 3.931% until October 1, 2013. During the years ended June 30, 2006 and 2005, the valuation of these agreements resulted in a net unrealized loss of \$12,854,000 and a net unrealized gain of \$9,034,000, respectively.

(c) 2004 Variable Rate Revenue Bonds Swap Agreement

In connection with the issuance of \$96,000,000 in variable rate revenue bonds (Series 2004A-B) discussed in note 8(c), the Trust entered into interest rate swap agreements with two counterparties in October 2004. The notional amounts of the swaps for the years ended June 30, 2006 and 2005 are \$89,560,000 and \$92,670,000, respectively. The Trust receives payments from the counterparties based on 67% of one-month LIBOR less 0.2% and pays the swap counterparties 3.75% in return. During the years ended June 30, 2006 and 2005, the valuation of these agreements resulted in a net unrealized gain of \$6,899,000 and in a net unrealized loss of \$6,590,000, respectively.

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Notes to Financial Statements

June 30, 2006 and 2005

In connection with the remarketing of the 2004 Variable Rate Revenue Bonds on February 2, 2006, the Trust entered into additional interest rate swap transactions with the same two counterparties involved with the initial swap transaction. The notional amount of the swap agreements totaled \$89,560,000. Under these additional interest rate swaps, the Trust received payments calculated by reference to a fixed interest rate of 3.305% and made payments calculated by reference to the weekly BMA Municipal Swap Index. During the year ended June 30, 2006, the valuation of these swap agreements resulted in a net unrealized loss of \$167,000. The swap agreements terminate in two tranches. Notional amounts of \$44,780,000 and \$44,780,000 terminate on August 1, 2006 and February 1, 2007, respectively.

(10) Retirement Plans and Postretirement Benefits

The liabilities related to the defined-benefit retirement plans and postretirement benefits of the Trust are accrued based on various assumptions and discount rates, as described below. The actuarial assumptions used could change in the near term as a result of changes in expected future trends and other factors which, depending on the nature of the changes, could cause increases or decreases in the liabilities recorded.

The Trust has a defined-benefit retirement plan covering substantially all of its employees. The benefits are based on years of service and the employee's highest consecutive five years of compensation during the last ten years of employment. The Trust annually contributes the required amount that satisfies the funding standards under Section 412(b) of the Internal Revenue Code. Contributions are intended to provide the defined-benefit retirement plan with assets sufficient to pay all future benefits due to plan participants. The defined-benefit retirement plan assets are comprised of short-term investments and mutual funds in equity and fixed-income securities with State Street Bank as trustee for the defined benefit retirement plan.

THE J. PAUL GETTY TRUST

Notes to Financial Statements

June 30, 2006 and 2005

In addition to the defined-benefit retirement plan, the Trust provides supplemental retirement benefits for certain senior executives as outlined in their respective employment contracts. The funded status of the defined-benefit retirement plan and the supplemental retirement plan as of June 30, 2006 and 2005 is as follows:

	Defined-benefit		Supplemental retirement	
	2006	2005	2006	2005
	(Amounts in thousands)			
Change in benefit obligation:				
Benefit obligation at beginning of year	\$ 107,759	80,321	12,236	10,358
Service cost	7,114	5,505	380	284
Interest cost	5,496	4,963	609	622
Actuarial loss (gain)	(22,633)	18,494	(1,265)	1,792
Benefits paid	(1,700)	(1,524)	(1,803)	(820)
	<u>\$ 96,036</u>	<u>107,759</u>	<u>10,157</u>	<u>12,236</u>
Change in plan assets:				
Fair value of plan assets at beginning of year	\$ 71,035	61,089	—	—
Actual return on plan assets	8,302	5,470	—	—
Employer contributions	2,300	6,000	1,803	820
Benefits paid	(1,700)	(1,524)	(1,803)	(820)
	<u>\$ 79,937</u>	<u>71,035</u>	<u>—</u>	<u>—</u>
Funded status:				
Benefit obligation	\$ (96,036)	(107,759)	(10,159)	(12,236)
Fair value of plan assets	79,937	71,035	—	—
Funded status	(16,099)	(36,724)	(10,159)	(12,236)
Unrecognized prior service cost	464	600		
Unrecognized actuarial loss	2,963	30,900	3,289	3,324
Additional minimum liability	—	(10,511)	(3,289)	(3,324)
Net amount recognized (as a component of accrued and other liabilities)	<u>\$ (12,672)</u>	<u>(15,735)</u>	<u>(10,159)</u>	<u>(12,236)</u>
Weighted average assumptions as of June 30:				
Discount rate	6.40%	5.15%	6.40%	5.15%
Expected long-term rate of return on plan assets	8.00	8.00	N/A	N/A
Rate of compensation increase	4.00	4.00	N/A	N/A
Measurement date	June 30, 2006	June 30, 2005	June 30, 2006	June 30, 2005

THE J. PAUL GETTY TRUST

Notes to Financial Statements

June 30, 2006 and 2005

The J. Paul Getty Trust Retirement Plan has an expected long-term rate of return assumption of 8%. This assumption reflects the asset allocation targets and both the historical and projected long-term return assumptions for each asset class in the portfolio.

The actuarial present value of the accumulated benefit obligations as of June 30, 2006 was approximately \$78,521,000, of which approximately \$75,136,000 was vested.

	Defined-benefit		Supplemental retirement	
	2006	2005	2006	2005
	(Amounts in thousands)			
Components of net periodic benefit cost:				
Service cost	\$ 7,114	5,505	380	284
Interest cost	5,496	4,963	609	622
Expected return on plan assets	(5,110)	(4,718)	—	—
Amortization of prior service cost	136	136	—	—
Recognized net loss	2,110	683	402	258
	\$ 9,746	6,569	1,391	1,164

The investment policy of The J. Paul Getty Trust Retirement Plan is to maximize total return consistent with the income needs and risk tolerance for the program. The Plan has a long-term investment horizon consistent with the long-term nature of the retirement obligations. The policy and risk tolerance for the plan is reflected in the asset allocation target approved by the Retirement Plan Committee. The asset allocation targets are reviewed periodically by the Retirement Plan Committee to ensure that the targets are consistent with the plan policy and strategic objectives. The actual asset allocation is rebalanced as appropriate to match the target weights. Domestic equity assets are invested in an index fund that replicates the Wilshire 5000 index, and international equity assets are invested in an index fund that replicates the MSCI EAFE index. Fixed-income assets are invested in an intermediate bond fund account that is actively managed by PIMCO and is benchmarked against the Lehman Aggregate index.

As of the measurement date, the defined-benefit plan assets consist of the following:

	Defined-benefit			
	2006		2005	
	Actual	Target	Actual	Target
Asset allocations:				
Equity securities	83.00%	75.00%	77.00%	75.00%
Debt securities	17.00	25.00	20.00	25.00
Cash	0.00	0.00	3.00	0.00
	100.00%	100.00%	100.00%	100.00%

THE J. PAUL GETTY TRUST

Notes to Financial Statements

June 30, 2006 and 2005

The following is a schedule of expected future benefit payments:

	Defined- benefit	Supplemental retirement
	(Amounts in thousands)	
Fiscal year ending June 30:		
2007	\$ 2,351	970
2008	2,604	933
2009	2,871	901
2010	3,149	867
2011-2016	27,954	4,352
	\$ 38,929	8,023

Expected contributions to be made to the defined-benefit retirement plan and the supplemental retirement plan during the fiscal year ending June 30, 2007 are \$6,000,000 and \$970,000, respectively.

The Trust provides postretirement health care to eligible employees who retire under the Trust's retirement plan. The cost of providing these benefits is substantially borne by the Trust. The accumulated postretirement benefit obligation relating to this plan at June 30, 2006 and 2005 consists of:

	2006	2005
	(Amounts in thousands)	
Retired employees	\$ 14,857	13,964
Fully eligible active employees	16,119	15,568
Other active employees	65,723	75,584
	\$ 96,699	105,116

The net periodic postretirement benefit cost included the following:

	2006	2005
	(Amounts in thousands)	
Service cost	\$ 11,674	6,236
Interest cost	5,390	3,667
Amortization of prior service cost	(101)	(101)
Recognized net loss	2,890	911
	\$ 19,853	10,713

THE J. PAUL GETTY TRUST

Notes to Financial Statements

June 30, 2006 and 2005

The following are the assumed healthcare trend rates:

	2006	2005
Healthcare cost trend assumed for the next year	10.50%	11.50%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00	5.00
Year that the rate reaches the ultimate trend rate	2016	2016

Assumed healthcare cost trend rates have a significant effect on the amounts reported for the healthcare plans. A one-percentage-point change in assumed healthcare cost trend rates would have the following effects at June 30, 2006:

	One- percentage- point increase	One- percentage- point decrease
	(Amounts in thousands)	
Effect on total of service and interest cost components – increase (decrease)	\$ 3,976	(3,047)
Effect on postretirement benefit obligation – increase (decrease)	20,968	(16,376)

The Trust maintains a qualified 403(b) Employee Investment Plan, which permits eligible employees to make voluntary contributions on a pretax basis. This plan allows participants to invest in a variety of investments. This plan was enhanced in 1995 to include an employer match to employees contributing to the plan, following six months of employment. The match is held in a 401(a) plan. The 401(a) plan provides for uniform employer contributions of \$1.00 for every dollar contributed by a participant up to 4% of the participant's compensation. The Trust contributed \$2,094,000 and \$2,000,000 to this plan in 2006 and 2005, respectively.

(11) Lines of Credit

The Trust has two revolving unsecured lines of credit with a bank. A \$5,000,000 line of credit, which bears interest at the bank's reference rate, also facilitates the issuance of commercial and standby letters of credit with maximum maturities of 180 and 365 days, respectively. This line of credit agreement expires on February 1, 2008 at which time any advances outstanding are due and payable. Amounts used for financing commercial and standby letters of credit may extend 180 and 365 days, respectively, beyond the expiration date of this line of credit. Additionally, the standby letters of credit may include a provision providing for automatic annual extensions. A second \$5,000,000 line of credit also expired February 1, 2006 and bears interest at the bank's reference rate. There were no amounts outstanding at June 30, 2006 or 2005 under these agreements.

THE J. PAUL GETTY TRUST

Notes to Financial Statements

June 30, 2006 and 2005

In addition, in January 2003, the Trust entered into an irrevocable letter of credit agreement with a bank for \$1,000,000, which increased to \$2,000,000 in August 2005. The agreement designates the Los Angeles City Department of Transportation as the beneficiary related to required transportation improvements near the Getty Villa. The letter of credit is automatically renewed annually each January unless the bank notifies the Trust of its intent to not renew the letter 30 days prior to its expiration.

(12) Commitments and Contingencies

(a) Lease Commitments

The Trust is obligated under various operating leases for equipment and facilities, which expire on various dates through 2011. The following is a schedule, by year, of minimum future rental payments related to these leases as of June 30, 2006 (amounts in thousands):

	Lease payments
Year ending June 30:	
2007	\$ 3,225
2008	2,726
2009	2,720
2010	2,834
2011	1,285
Thereafter	<u>237</u>
Total	<u>\$ 13,027</u>

Rent expense totaled \$6,340,000 and \$6,855,000 for the years ended June 30, 2006 and 2005, respectively.

(b) Legal Matters

In the ordinary course of business, the Trust is subject to certain lawsuits and other potential legal actions. In the opinion of management, such matters will not have a material effect on the financial position of the Trust.

(c) Other Commitments

The Trust has investments in private equity partnerships. The future commitments to fund these partnerships totaled approximately \$853,787,000 and \$668,736,000 as of June 30, 2006 and 2005, respectively.

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APPENDIX C

SUMMARY OF PRINCIPAL DOCUMENTS

The following is a summary of certain provisions of the Indenture and the Loan Agreement that are not described elsewhere in this Official Statement. The Bonds are issued and secured pursuant to the Indenture and the Loan Agreement. References to the Indenture and the Loan Agreement or a fund or account refer to the related document, fund or account with respect to the Bonds, as described in the Official Statement. Unless otherwise specified to the contrary in this Appendix C, all definitions and provisions summarized refer to the Indenture and the Loan Agreement. These summaries do not purport to be complete or definitive and reference should be made to the Indenture and the Loan Agreement for a full and complete statement of their provisions.

DEFINITIONS OF CERTAIN TERMS

Unless the context otherwise requires, the terms defined in this summary shall, for all purposes of this summary, have the meanings herein specified, to be equally applicable to both singular and plural forms of any of the terms herein defined. Unless otherwise defined in this summary, all terms used herein or elsewhere in the Official Statement shall have the meanings assigned to such terms in the Indenture.

“Act” means the Bergeson-Peace Infrastructure and Economic Development Bank Act, constituting Division 1 of Title 6.7, of the Government Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented.

“Additional Payments” means the payments so designated and required to be made by the Getty Trust pursuant to the Loan Agreement.

“Authorized Representative” means, with respect to the Getty Trust, the Chair or Vice Chair of the Board, its President and Chief Executive Officer, its Vice President, Finance and Administration, Secretary or any other person designated an Authorized Representative of the Getty Trust by a certificate of the Getty Trust signed by the Chair or Vice Chair of its Board, its President and Chief Executive Officer, Vice President, Finance and Administration, or Secretary, and filed with the Bond Trustee.

“Bond Trustee” means The Bank of New York Trust Company, N.A., a national banking association organized and existing under the laws of the United States, or its successor, as Bond Trustee as provided in the Indenture.

“Bondholder” or “Holder” means the Person in whose name such Bond is registered.

“Bonds” means California Infrastructure and Economic Development Bank Refunding Revenue Bonds (The J. Paul Getty Trust) Series 2007A-1, Series 2007A-2, Series 2007A-3 and Series 2007A-4, authorized by, and at any time Outstanding pursuant to, the Indenture.

“Business Day” means (i) any day other than (A) a Saturday or Sunday or legal holiday or a day on which banking institutions in the city or cities in which the Designated Office of the Bond Trustee or the designated office of the Tender Agent, are located are authorized by law or executive order to close or (B) a day on which the New York Stock Exchange or the Remarketing Agent is closed or (ii) during an ARS Rate Period, solely for purposes of conducting an Auction, any other day or days as may be agreed to in writing by the Auction Agent, the Broker-Dealers, the Bond Trustee and the Getty Trust.

“Certificate, Statement, Request, or Requisition of the Issuer or the Getty Trust” mean, respectively, a written certificate, statement, request, or requisition signed in the name of the Issuer by its Chair, Executive Director or by any other person specifically authorized to execute such document on its behalf, or in the name of the Getty Trust by an Authorized Representative of the Getty Trust.

“Code” means the Internal Revenue Code of 1986, as amended, or any successor statute thereto and any regulations promulgated thereunder.

“Designated Office” means the principal corporate trust office of the Bond Trustee, which as of the date of the Indenture is located at 700 S. Flower Street, Suite 500, Los Angeles, California 90017, Attention: Corporate Trust Department, or such other offices as the Bond Trustee may designate from time to time by written notice to the Holders.

“Electronic Means” means telecopy, telegraph, telex, electronic mail, facsimile transmission or other similar electronic means of communication providing confirmation of receipt, including a telephonic communication confirmed by writing or written transmission.

“Event of Default” means any of the events specified in the Indenture as such.

“Favorable Opinion of Bond Counsel” means, with respect to any action the occurrence of which requires such an opinion, an unqualified Opinion of Bond Counsel to the effect that such action is permitted by the Indenture and will not impair in the exclusion of interest on the Bonds from gross income for federal income tax purposes (subject to the inclusion of any exceptions contained in the opinion delivered upon original issuance of the Bonds).

“Getty Trust” means the J. Paul Getty Trust, a charitable trust created and existing under the laws of the State and under an Indenture dated December 2, 1953, as amended, or said charitable trust’s successor or successors.

“Indenture” means that certain Bond Indenture, by and between the Issuer and the Bond Trustee, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof.

“Interest Account” means the account by that name in the Revenue Fund established pursuant to the Indenture.

“Interest Payment Date” means:

- (A) if the Mode for a Series of the Bonds is an Auction Mode, as set forth in Appendix D; and
- (B) for all Bonds of a Series, any Mode Change Date with respect to such Series and the applicable maturity dates for such Bonds.

“Interest Payment Period” means the period commencing on the last Interest Payment Date to which interest has been paid (or, if no interest has been paid, from the date of original issuance of the Bonds, or the Mode Change Date, as the case may be) to, but not including, the Interest Payment Date on which interest is to be paid.

“Interest Period” means the period of time that an interest rate remains in effect

“Investment Securities” means any of the following: (1) (a) direct nonprepayable, noncallable obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) or direct nonprepayable, noncallable obligations the timely payment of the principal of and interest on which are fully guaranteed by the United States of America, including instruments evidencing a direct ownership interest in securities described in this clause (1)(a) such as CATS, TIGRs, and Stripped Treasury Coupons rated or assessed in the highest Rating Categories by S&P and Moody’s and held by a custodian for safekeeping on behalf of holders of such securities, or (b) bonds or notes which are exempt from federal income taxes and for the payment of which cash or obligations described in clause (1)(a) of this definition in an amount sufficient to pay the principal of, premium, if any, and interest on such bonds or notes when due have been irrevocably deposited with a trustee or other fiscal depository and which are rated in the highest Rating Categories by S&P and Moody’s; (2) obligations, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following: Federal Home Loan Issuer System, Government

National Mortgage Association, Farmer's Home Administration, Federal Home Loan Mortgage Corporation, Small Business Administration, Federal Housing Administration, Resolution Funding Corporation or Financing Corporation; (3) interest bearing time or demand deposits, deposit accounts, certificates of deposit or savings accounts with banks (including the Bond Trustee and its affiliates) (i) whose deposits are fully insured by the Federal Deposit Insurance Corporation or (ii) whose short term obligations are rated no lower than A-1+ by S&P and P-1 by Moody's and that are commercial banks, which deposits or accounts are collateralized as to both principal and accrued interest at 103% by obligations of the kind described in clause (1)(a), held by the Bond Trustee, provided that the bank shall create a valid first perfected security interest for the depositor in such obligations; (4) federal funds or banker's acceptances with a maximum term of one year of any bank that has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A1+" by Moody's and "A-1" or "A" or better by S&P (including the Bond Trustee) insured by the Federal Deposit Insurance Corporation; (5) repurchase agreements fully secured by collateral security described in clause (1) of this definition, which collateral (a) is held by the Bond Trustee or an agent thereof during the term of such repurchase agreement, (b) is not subject to liens or claims of third parties, (c) is subject to a perfected security interest and (d) has a market value (determined at least once every fourteen days) at least equal to 103% of the amount so invested; (6) investment agreements with financial institutions rated within the three highest long-term Rating Categories by Moody's and S&P; provided that if such ratings fall below the three highest long-term Rating Categories, the investment agreement shall allow the Bond Trustee the option to replace such financial institution or shall provide for such investment to be fully collateralized by investments described in clause (1) above and, provided further that if the Getty Trust notifies the Bond Trustee of such lowering of ratings and the investments are so collateralized, that the Bond Trustee has a perfected first priority lien on the collateral and such collateral is held by the Bond Trustee or its agent; (7) taxable government money market portfolios (including those of the Bond Trustee and its affiliates) consisting of securities issued or guaranteed as to payment of principal and interest by the full faith and credit of the United States; (8) tax-exempt government money market portfolios consisting of securities which are rated in one of the three highest Rating Categories of S&P and Moody's, including funds for which the Bond Trustee, its affiliates or subsidiaries provide investment advisory or other money management services; (9) money market funds registered under the Investment Company Act of 1940, the shares in which are registered under the Securities Act of 1933 and that have a rating by S&P of AAA m-G, AAAM or AAM, including such funds for which the Bond Trustee or its affiliates provide investment advisory or other management services; (10) corporate bonds rated within the three highest long-term Rating Categories by Moody's and S&P; (11) dutch auction securities and auction rate securities with respect to which the interest rates are reset every seven to 35 days (inclusive) and which are rated in one of the three highest short-term Rating Categories by Moody's and S&P; (12) commercial paper rated in one of the three highest Rating Categories by Moody's and S&P; and (13) any other security or fund rated in one of the three highest long-term or short-term Rating Categories by Moody's and S&P.

"Issuer" means the California Infrastructure and Economic Development Bank created pursuant to, and as defined in, the Act, and any successor or assignee to its functions.

"Loan Agreement" means that certain loan agreement, between the Issuer and the Getty Trust, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof and of the Indenture.

"Loan Default Event" means any of the events specified as such in the Loan Agreement.

"Loan Repayments" means the payments so designated and required to be made by the Getty Trust pursuant to the Loan Agreement.

"Mandatory Purchase Date" means the date or dates as set forth in Indenture upon which Bonds of any Series are subject to mandatory purchase.

"Mandatory Sinking Account Payment" means the amount required by the Indenture to be paid by the Issuer on any single date for the retirement of Bonds.

“*Maximum Interest Rate*” means, with respect to Bonds in an Auction Mode, the Maximum Rate as defined in Appendix D; provided, however, that the Maximum Interest Rate shall not exceed the maximum interest rate permitted by law from time to time.

“*Mode*” means, as the context may require, the Daily Mode, the Weekly Mode, the Commercial Paper Mode, the Auction Mode or the Long-Term Mode.

“*Mode Change Date*” means with respect to any Bond, the day following the last day of one Mode on which another Mode begins.

“*Moody’s*” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Getty Trust upon approval of the Issuer and notice to the Bond Trustee.

“*Opinion of Bond Counsel*” means a written opinion addressed to the Issuer of Orrick, Herrington & Sutcliffe LLP or such other counsel selected by the Issuer of recognized national standing in the field of obligations the interest on which is excluded from gross income for federal income tax purposes.

“*Opinion of Counsel*” means a written opinion of counsel (who may be counsel for the Issuer, but not an employee thereof) satisfactory to the Bond Trustee.

“*Outstanding*” when used as of any particular time (subject to the provisions of the Indenture) with reference to Bonds, means all Bonds theretofore, or thereupon being, authenticated and delivered by the Bond Trustee under the Indenture except (1) Bonds theretofore cancelled by the Bond Trustee or surrendered to the Bond Trustee for cancellation; (2) Bonds with respect to which all liability of the Issuer shall have been discharged in accordance with the Indenture; and (3) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Bond Trustee pursuant to the Indenture.

“*Person*” means an individual, corporation, firm, association, partnership, trust, limited liability company or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“*Principal Account*” means the account by that name in the Revenue Fund established pursuant to the Indenture.

“*Principal Payment Date*” means any date on which principal on the Bonds is due and payable, whether by reason of maturity or redemption from Mandatory Sinking Account Payments, or otherwise.

“*Prior Obligations*” means The J. Paul Getty Trust Taxable Bonds, Series 2003, originally issued by the Getty Trust in the aggregate principal amount of \$250,000,000 of which \$250,000,000 are currently outstanding.

“*Purchase Price*” means an amount equal to the principal amount with respect to any Bonds purchased on a Mandatory Purchase Date, plus accrued interest thereon, if any, to the Mandatory Purchase Date.

“*Rating Agency*” means Moody’s and S&P.

“*Rating Category*” means a generic securities rating category, without regard to any refinement or gradation of such rating category by a numerical modifier or otherwise.

“*Rebate Fund*” means the fund by that name established pursuant to the Indenture.

“*Redemption Fund*” means the fund by that name established pursuant to the Indenture.

“*Redemption Price*” means, with respect to any Bond (or portion thereof), the principal amount of such Bond (or portion) plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bond and the Indenture.

“*Refunding Fund*” means the fund by that name established pursuant to the Indenture.

“*Reserved Rights*” means the right of the Issuer to (1) Additional Payments, (2) enforce the obligations of the Getty Trust under the Tax Agreement, and (3) indemnification, notices and opinions.

“*Responsible Officer*” means any officer of the Bond Trustee assigned to administer its duties pursuant to the Indenture.

“*Revenue Fund*” means the fund by that name established pursuant to the Indenture.

“*Revenues*” means all amounts received by the Issuer or the Bond Trustee for the account of the Issuer pursuant or with respect to the Loan Agreement, including, without limiting the generality of the foregoing, Loan Repayments (including both timely and delinquent payments and any late charges, and whether paid from any source), prepayments, and all interest, profits or other income derived from the investment of amounts in any fund or account established pursuant to the Indenture, but not including any Additional Payments or any moneys required to be deposited in the Rebate Fund.

“*S&P*” means Standard & Poor’s, a division of The McGraw-Hill Companies, a corporation organized and existing under the laws of the State of New York, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Getty Trust upon approval of the Issuer and notice to the Bond Trustee.

“*Securities Depository*” means The Depository Trust Company and its successors and assigns, or any other securities depository selected as set forth in the Indenture.

“*Series,*” whenever used with respect to Bonds, means all of the Bonds designated as being of the same series, authenticated and delivered in a simultaneous transaction, and any Bonds thereafter authenticated and delivered upon transfer or exchange or in lieu of or in substitution for such Bonds.

“*Series 2007A-1 Bonds*” means the California Infrastructure and Economic Development Bank Refunding Revenue Bonds (The J. Paul Getty Trust), Series 2007A-1, authorized by, and at any time Outstanding pursuant to, the Indenture.

“*Series 2007A-2 Bonds*” means the California Infrastructure and Economic Development Bank Refunding Revenue Bonds (The J. Paul Getty Trust), Series 2007A-2, authorized by, and at any time Outstanding pursuant to, the Indenture.

“*Series 2007A-3 Bonds*” means the California Infrastructure and Economic Development Bank Refunding Revenue Bonds (The J. Paul Getty Trust), Series 2007A-3, authorized by, and at any time Outstanding pursuant to, the Indenture.

“*Series 2007A-4 Bonds*” means the California Infrastructure and Economic Development Bank Refunding Revenue Bonds (The J. Paul Getty Trust), Series 2007A-4, authorized by, and at any time Outstanding pursuant to, the Indenture.

“*Supplemental Bond Indenture*” means any indenture hereafter duly authorized and entered into between the Issuer and the Bond Trustee, supplementing, modifying or amending the Indenture; but only if and to the extent that such Supplemental Bond Indenture is specifically authorized under the Indenture.

“*Tax Agreement*” means that certain tax agreement entered into between the Issuer and the Getty Trust at the time of issuance and delivery of the Bonds, as the same may be amended or supplemented in accordance with its terms.

“*Tender Agent*” means the tender agent meeting the requirements set forth in the Indenture and appointed in accordance therein.

INDENTURE

The Indenture sets forth the terms of the Bonds, the nature and extent of the security, various rights of the Bondholders, rights, duties and immunities of the Bond Trustee and the rights and obligations of the Issuer. Certain provisions of the Indenture are summarized in this Official Statement under the captions “THE SERIES 2007A BONDS” and “SECURITY FOR THE SERIES 2007A BONDS.” Other provisions are summarized below. This summary does not purport to be complete or definitive and is qualified in its entirety by reference to the full terms of the Indenture.

Changes in Mode

Subject to the provisions of this section of the Indenture, the Getty Trust may effect a change in Mode with respect to the Bonds of any Series by following the procedures set forth in this section.

(A) Mode Change Notice; Notice to Holders. No later than the 15th day preceding the proposed Mode Change Date, the Getty Trust shall give written notice to the Issuer, the Bond Trustee, the Tender Agent, the Remarketing Agent, the Auction Agent, the Broker-Dealers and each Rating Agency then rating the Bonds 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. Notice of the proposed change in Mode (the form of which (including the form of notice to the Holders required by the Indenture) shall be provided by the Getty Trust to the Bond Trustee and the Tender Agent no later than fourteen (14) days prior to the proposed Mode Change Date) shall be given to the Holders of the Bonds of the applicable Series pursuant to the Indenture.

(B) Determination of Interest Rates. The New Mode shall commence on the Mode Change Date and the interest rate(s) with respect to the Bonds of such Series (together, in the case of a change to the Commercial Paper Mode, with the Interest Period(s)) shall be determined in the manner provided in the Indenture.

(C) Conditions Precedent.

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

(2) Additionally, the Mode Change Date in the case of a change from the Auction Mode, shall be the Interest Payment Date following the final Auction Period.

(3) If the New Mode is a Daily Mode, a Weekly Mode or a Commercial Paper Mode, no later than the time the Getty Trust gives the notice described in Subsection (A) hereof, the Getty Trust shall have entered into a remarketing agreement.

(D) Notice to Holders. Not less than the 10th day next preceding the Mode Change Date, the Tender Agent shall mail, in the name of the Getty Trust, a notice of such proposed change to the Holders of such Series of Bonds stating that the Mode will be changed to a New 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.

(E) Favorable Opinion of Bond Counsel. The change from an Auction Mode shall not occur unless the Issuer, the Bond Trustee and the Remarketing Agent have received on the Mode Change Date a Favorable Opinion of Bond Counsel dated the Mode Change Date and addressed to the Issuer, the Bond Trustee, the Getty Trust and the Remarketing Agent.

(F) Failure to Satisfy Conditions Precedent to Mode Change. If any of the conditions precedent have not been satisfied on or prior to the Mode Change Date, the New Mode shall not become effective and all Bonds of such Series shall if previously in an Auction Mode, the provisions of (G) below shall apply.

(G) Cancellation of Conversion from an Auction Mode. In the case of a conversion from the Auction Mode to another Mode, at anytime prior to 10:00 a.m. New York City time on the Business Day immediately preceding the Mode Change Date the Getty Trust may withdraw its notice of conversion and the Auction for such Series of Bonds shall be held on such Auction Date as if no conversion notice had ever been given. If on a Mode Change Date the conversion notice has not been withdrawn as set forth in the preceding sentence and any condition precedent to such conversion has not been satisfied, the Bond Trustee shall give notice by Electronic Means as soon as practicable and in any event not later than the next succeeding Business Day to the registered owner of the Series of Bonds to have been converted, the Issuer, the Auction Agent and the Broker-Dealer that such conversion has not occurred, that the Series of Bonds shall not be purchased on the failed Mode Change Date, that the Auction Agent shall continue to implement the Auction Procedures on the Auction Dates with respect to such Series of Bonds which otherwise would have been converted excluding however, the Auction Date falling on the Business Day next preceding the failed Mode Change Date, and that the Mode shall continue to be the Auction Mode; provided, however, that the interest rate borne by the Series of Bonds which otherwise would have been converted during the Auction Period commencing on such failed Mode Change Date shall be the Maximum Interest Rate, and the Auction Period shall be the seven-day Auction Period.

(H) Funds for Remarketing Upon Conversion. No conversion from one Mode to another shall take effect under the Indenture for any Series of Bonds, in the case of a conversion with respect to which there shall be no Liquidity Facility in effect to provide funds for the purchase of Bonds of any Series on the Mode Change Date, unless the remarketing proceeds available on the Mode Change Date shall be no less than the amount required to purchase all of the Bonds of such Series at the Purchase Price (unless the Getty Trust, in its sole discretion, elects to transfer to the Tender Agent the amount of such deficiency on or before the Mode Change Date).

Pledge and Assignment of Revenues

The Issuer transfers in trust, grants a security interest in and assigns to the Bond Trustee, for the benefit of the Holders from time to time of the Bonds, all of the Revenues and other assets pledged, including proceeds of the sale of the Bonds, held in any fund or account established under the Indenture (except for the Rebate Fund and the Purchase Fund); all of the right, title and interest of the Issuer in the Loan Agreement (except for Reserved Rights). The Bond Trustee shall be entitled to and shall, subject to the provisions of the Indenture, collect and receive all of the Revenues and any Revenues collected or received by the Issuer shall be deemed to be held and to have been collected or received, by the Issuer as the agent of the Bond Trustee, and shall forthwith be paid by the Issuer to the Bond Trustee. The Bond Trustee also shall be entitled to, and shall, subject to the provisions of the Indenture, take all steps, actions and proceedings reasonably necessary in its judgment to enforce all of the rights of the Issuer and all of the obligations of the Getty Trust under the Loan Agreement other than Reserved Rights.

Allocation of Revenues

On or before the dates specified below, the Bond Trustee shall transfer from the Revenue Fund and deposit into the following respective accounts (each of which the Bond Trustee shall establish and maintain within the Revenue Fund) the following amounts, in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

First: on each Interest Payment Date, to the Interest Account, the aggregate amount of interest becoming due and payable on such Interest Payment Date on all Bonds then Outstanding, until the balance in said account is equal to said aggregate amount of interest; and

Second: on each Principal Payment Date, to the Principal Account, the aggregate amount of Mandatory Sinking Account Payments required to be paid into the Principal Account on such Principal

Payment Date plus the aggregate principal amount of principal becoming due on such Principal Payment Date, until the balance in said account is equal to said aggregate amount of such Mandatory Sinking Account Payments and principal.

Any moneys remaining in the Revenue Fund after the foregoing transfers shall be transferred to the Getty Trust.

Establishment of Funds and Accounts

The Indenture creates a Revenue Fund (and an Interest Account and Principal Account thereunder), a Redemption Fund, a Rebate Fund, a Purchase Fund and a Refunding Fund, all of which are to be held by the Bond Trustee.

Interest Account. All amounts in the Interest Account shall be used and withdrawn by the Bond Trustee solely for the purpose of paying the interest on the Bonds as it becomes due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to the Indenture).

Principal Account. All amounts in the Principal Account shall be used and withdrawn by the Bond Trustee solely to purchase or redeem or pay at maturity Bonds, as provided in the Indenture.

On each Mandatory Sinking Account Payment date, the Bond 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, upon the notice and in the manner provided in the Indenture; provided that, at any time prior to giving such notice of such redemption, the Bond Trustee may apply moneys in the Principal Account 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 Account) as directed by the Getty Trust in writing, except that the purchase price (excluding accrued interest) shall not exceed the principal amount of such Bonds. If, during the twelve-month period immediately preceding said Mandatory Sinking Account Payment date, the Bond Trustee has purchased Bonds with moneys in the Principal Account, or, during said period and prior to giving said notice of redemption, the Getty Trust has deposited Bonds with the Bond Trustee or Bonds were at any time purchased or redeemed by the Bond 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 the Indenture, shall be canceled by the Bond Trustee upon the order of the Issuer. All Bonds purchased from the Principal Account, or deposited by the Getty Trust with the Bond Trustee shall be allocated to the Mandatory Sinking Account Payment, as the Getty Trust may specify, or if not specified, in inverse order of their payment dates.

Redemption Fund. The Bond Trustee shall deposit the following Revenues in the Redemption Fund when and as such Revenues are received: (1) the principal component of all cash prepayments of Loan Repayments made pursuant to the Loan Agreement; (2) all interest, profits and other income received from the investment of moneys in the Redemption Fund and (3) all moneys deposited by the Getty Trust with the Bond Trustee directed to be deposited in the Redemption Fund in accordance with the Loan Agreement.

All amounts deposited in the Redemption Fund shall be used and withdrawn by the Bond Trustee solely for the purpose of redeeming Bonds, in the manner and upon the terms and conditions specified in the Indenture, at the next succeeding date of redemption for which notice has not been given; provided that, at any time prior to the selection of Bonds for such redemption, the Bond Trustee shall, upon direction of the Getty Trust, apply such amounts 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 Account) as the Getty Trust may direct, except that the purchase price (exclusive of accrued interest) may not exceed the Redemption Price then applicable to the Bonds (or, if the Bonds are not then subject to redemption, the par value of such Bonds); and provided further that, in lieu of redemption at such next succeeding date of redemption, or in combination therewith, amounts in such account may be transferred to the Principal Account and credited against Loan Repayments in order of their due date as set forth in a Request of the Getty Trust. All Bonds purchased or redeemed from the

Redemption Fund shall be allocated first to the Mandatory Sinking Account Payment as the Getty Trust may specify.

Rebate Fund. Subject to the transfer provisions provided in the Indenture, all money at any time deposited in the Rebate Fund shall be held by the Bond Trustee in trust, to the extent required to satisfy the Rebate Amount (as defined in the Tax Agreement), for payment to the federal government of the United States of America. Neither the Issuer, the Getty Trust nor the Holder of any Bonds shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by the Indenture and by the Tax Agreement.

Purchase Fund. The Tender Agent establishes and maintains a special fund designated as the “Purchase Fund.” The money in the Purchase Fund shall be held in trust and applied solely as provided in the Indenture.

Refunding Fund. The Trustee establishes and maintains a fund designated as the “Refunding Fund.” The money in the Refunding Fund shall be held in trust and applied to the payment of the Prior Obligations as directed in a requisition of the Getty Trust.

Investment Moneys in Funds and Accounts

All moneys in any of the funds and accounts established pursuant to the Indenture, other than moneys on deposit in the Purchase Fund, shall be invested by the Bond Trustee, upon written direction of the Getty Trust, solely in Investment Securities as further set forth in the Indenture.

Mandatory Purchase on Mode Change Date

Bonds to be changed from one Mode to another Mode, are subject to mandatory purchase on the Mode Change Date at the Purchase Price. The Tender Agent shall give notice of such mandatory purchase by mail to the Holders of the Bonds subject to mandatory purchase no less than 10 days prior to the Mandatory Purchase Date. The notice shall state, in addition to the items set forth in the Indenture as described in “Changes in Mode” above, the Mandatory Purchase Date, the Purchase Price and that interest on Bonds subject to mandatory purchase shall cease to accrue from and after the Mandatory Purchase Date. The failure to mail such notice with respect to any Bond shall not affect the validity of the mandatory purchase of any other Bond with respect to which notice was so mailed. Any notice mailed will be conclusively presumed to have been given, whether or not actually received by any Holder.

Events of Default; Remedies on Default

The following events shall be Events of Default: (a) default in the due and punctual payment of the principal, Redemption Price or Purchase Price of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by acceleration or otherwise or default in the redemption of Bonds from Mandatory Sinking Account Payments in the amounts and at the times provided therefor; (b) default in the due and punctual payment of any installment of interest on any Bond when and as such interest shall become due and payable; (c) default by the Issuer in the observance of any of the other covenants, agreements or conditions on its part contained in the Indenture or in the Bonds, if such default shall have continued for a period of 60 days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Issuer and the Getty Trust by the Bond Trustee, or to the Issuer, the Getty Trust and the Bond Trustee by the Holders of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding or (d) a Loan Default Event.

Upon a Responsible Officer’s actual knowledge of the existence of any Event of Default, the Bond Trustee shall notify the Getty Trust and Issuer in writing as soon as practicable but in any event within 5 Business Days; provided, however, that the Bond Trustee need not provide notice of any Loan Default Event if the Getty Trust has expressly acknowledged the existence of such Loan Default Event in a writing delivered to the Bond Trustee and the Issuer.

Whenever any Event of Default shall have occurred and be continuing, the Bond Trustee may, upon notice in writing to the Issuer and the Getty Trust, declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration by the Bond Trustee the same shall become and shall be immediately due and payable, anything in the Indenture to the contrary notwithstanding.

Any such declaration, however, is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, there shall be deposited with the Bond Trustee a sum sufficient to pay all the principal, Redemption Price or Purchase Price of and interest on the Bonds payment of which is overdue, with interest on such overdue principal at the rates borne by the respective Bonds, and the reasonable charges and expenses of the Bond Trustee, and any and all other defaults known to the Bond Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Bond Trustee or provision deemed by the Bond Trustee to be adequate shall have been made therefor, then, and in every such case, the Bond Trustee shall, on behalf of the Holders of all of the Bonds by written notice to the Issuer and the Getty Trust, rescind and annul such declaration and its consequences and waive such default; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

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 Bond Trustee under any of the provisions of the Indenture (subject to moneys held for payment of particular Bonds and other than moneys required to be deposited in the Rebate Fund or the Purchase Fund) shall be applied by the Bond Trustee as follows and in the following order:

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

(B) To the payment of the principal or Redemption Price of and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of the Indenture, as follows:

(1) Unless the principal of all of the Bonds shall have become or have been declared due and payable,

First: To the payment to the Persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the Persons entitled thereto of the unpaid principal (including Mandatory Sinking Account Payments) or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, with interest on the overdue principal at the rate borne by the respective Bonds, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date to the Persons entitled thereto, without any discrimination or preference.

(2) If the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds, with interest on the overdue principal at the rate borne by the respective Bonds, and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without

preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference.

Bondholders' Direction of Proceedings

The Holders of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Bond Trustee, and upon indemnifying the Bond Trustee to its satisfaction therefor, to direct the method of conducting all remedial proceedings taken by the Bond Trustee under the Indenture, provided that such direction shall not be otherwise than in accordance with law and the provisions of the Indenture, and that the Bond Trustee shall have the right to decline to follow any such direction which in the opinion of the Bond Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

Limitation on Bondholder's Right to Sue

No Holder 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 the Indenture, the Loan Agreement, the Act or any other applicable law with respect to such Bond, unless (1) such Holder shall have given to the Bond Trustee written notice of the occurrence of an Event of Default; (2) the Holders of not less than 25% in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Bond Trustee to exercise the powers granted or to institute such suit, action or proceeding in its own name; provided, however, that if more than one such request is received by the Bond Trustee from the Holders, the Bond Trustee shall follow the written request executed by the Holders of the greater percentage of Bonds then outstanding in excess of 25%; (3) such Holder or said Holders shall have tendered to the Bond Trustee indemnity satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request; and (4) the Bond 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 Bond Trustee.

Amendment of Indenture

The Indenture and the rights and obligations of the Issuer and of the Holders of the Bonds and of the Bond Trustee may be modified or amended from time to time by an amended indenture or indentures supplemental to the Indenture, which the Issuer and the Bond Trustee may enter into when both (i) the written consent of the Holders of a majority in aggregate principal amount of the Bonds then Outstanding and (ii) an Opinion of Bond Counsel to the effect that such amendment or modification will not cause interest of the Bonds to be included in the gross income of the Holders for federal income tax purpose shall have been filed with the Bond Trustee. No such modification or amendment shall (1) extend the fixed maturity of any Bond, or reduce the amount of principal thereof, or extend the time of payment or reduce the amount of any Mandatory Sinking Account Payment, or reduce the rate of interest thereon, or extend the time of payment of interest thereon, 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 the Indenture prior to or on a parity with the lien created by the Indenture, or deprive the Holders of the Bonds of the lien created by the Indenture on such Revenues and other assets (except as expressly provided in the Indenture), without the consent of the Holders of all Bonds then Outstanding.

The Indenture may also be modified or amended without the necessity of obtaining the consent of any Bondholders, for one or more of the following purposes: (1) to add to the covenants and agreements of the Issuer contained in the Indenture 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 reserved to or conferred upon the Issuer, provided, that no such covenant, agreement, pledge, assignment or surrender shall materially adversely affect the interests of the Holders of the Bonds (as provided in an Opinion of Counsel addressed to the Issuer and the Bond Trustee); (2) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or

of curing or correcting any defective provision, contained in the Indenture, or in regard to matters or questions arising under the Indenture, as the Issuer or the Bond Trustee may deem necessary or desirable and not inconsistent with the Indenture, and which shall not materially adversely affect the interests of the Holders of the Bonds (as provided in an Opinion of Counsel addressed to the Issuer and the Bond Trustee); (3) to modify, amend or supplement the Indenture in such manner as to permit the qualification thereof under the Trust Indenture Act of 1939, as amended or any similar federal statute, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests of the Holders of the Bonds (provided, however, that such modifications, amendments, supplements and additions shall be permitted described in this subsection only if qualification under said act or similar federal statute is required by applicable law; (4) to provide any additional procedures, covenants or agreements to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds or (5) upon a mandatory purchase of all of the Bonds, any change.

Amendment of Loan Agreement

The Issuer shall not amend, modify or terminate any of the terms of the Loan Agreement, or consent to any such amendment, modification or termination, without the written consent of the Bond Trustee (such consent not to be unreasonably withheld). The Bond Trustee shall give such written consent only if (1) in the opinion of the Bond Trustee (which may be based on an Opinion of Bond Counsel upon which the Bond Trustee may rely) such amendment, modification or termination will not materially adversely affect the interests of the Bondholders or result in any material impairment of the security hereby given for the payment of the Bonds, or (2) the Bond Trustee first obtains the written consent of the Holders of a majority in principal amount of the Bonds then Outstanding to such amendment, modification or termination, provided that no such amendment, modification or termination shall reduce the amount of Loan Repayments to be made to the Issuer or the Bond Trustee by the Getty Trust pursuant to the Loan Agreement, or extend the time for making such payments, without the written consent of all of the Holders of the Bonds then Outstanding.

Defeasance

The Bonds may be paid by the Issuer or the Bond Trustee on behalf of the Issuer in any of the following ways: (a) by paying or causing to be paid the principal or Redemption Price of and interest on all Bonds Outstanding, as and when the same become due and payable; (b) by depositing with the Bond Trustee in trust, at or before maturity, moneys or securities in the necessary amount (as provided in the Indenture) to pay when due or redeem all Bonds then Outstanding; or (c) by delivering to the Bond Trustee, for cancellation by it, all Bonds then Outstanding. If the Issuer shall also pay or cause to be paid all other sums payable under the Indenture by the Issuer, then and in that case at the election of the Issuer and notwithstanding that any Bonds shall not have been surrendered for payment, the Indenture and the pledge of Revenues and other assets made under the Indenture and all covenants, agreements and other obligations of the Issuer under the Indenture shall cease, terminate, become void and be completely discharged and satisfied.

LOAN AGREEMENT

The Loan Agreement sets forth the terms of the loan of Bond proceeds to the Getty Trust and the repayment of and security for such loans provided by the Getty Trust. Certain provisions of the Loan Agreement are summarized below. This summary does not purport to be complete or definitive and is qualified in its entirety by reference to the full terms of the Loan Agreement.

Loan of Proceeds; Payments of Principal, Premium and Interest

The principal of and interest on the loan of the proceeds of the Bonds under the Loan Agreement will be repaid by means of "Loan Repayments" which the Getty Trust agrees to pay to the Bond Trustee as assignee of the Issuer. The Loan Repayments will be due and payable on or before the Business Day prior to each Interest Payment Date and each Principal Payment Date in amounts sufficient to allow the Bond Trustee to make the transfers required by the Indenture.

Prepayment

The Getty Trust shall have the right, so long as all amounts which have become due under the Loan Agreement have been paid, at any time or from time to time to prepay all or any part of the Loan Repayments. All such prepayments (and the additional payment of any amount necessary to pay the applicable premium, if any, payable upon the redemption of Bonds) shall be deposited upon receipt in the Redemption Fund and, at the request of and as determined by the Getty Trust, credited against payments due under the Loan Agreement or used for the redemption or purchase of Outstanding Bonds in the manner and subject to the terms and conditions set forth in the Indenture.

Payment of Purchase Price of Bonds

In addition to Loan Repayments and Additional Payments, the Getty Trust shall (if required) pay to the Tender Agent such amounts as may be required to pay the Purchase Price of Bonds tendered or deemed tendered pursuant to the Indenture. Such payments shall be paid by the Getty Trust to the Tender Agent by 2:30 p.m. New York City time in immediately available funds in the amount requested by the Tender Agent pursuant to the Indenture.

Continuing Disclosure

The Getty Trust covenants and agrees that it will, if required by S.E.C. Rule 15c2-12(b)(5), enter into and comply with and carry out all of the provisions of a continuing disclosure agreement. Notwithstanding any other provision of the Loan Agreement, failure of the Getty Trust to comply with a continuing disclosure agreement shall not be considered a Loan Default Event; however, the Bond Trustee may (and, at the request of any participating underwriter or the Holders of at least 25% aggregate principal amount in Outstanding Bonds, shall) or any Holder or beneficial owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Getty Trust to comply with its obligations described in this paragraph.

Events of Default

The following events will be “Loan Default Events”: (i) failure by the Getty Trust to pay in full any payment required under the Loan Agreement when due; (ii) if any material representation or warranty made by the Getty Trust in the Loan Agreement or made by the Getty Trust in any document, instrument or certificate furnished to the Bond Trustee or the Issuer in connection with the issuance of the Bonds shall at any time prove to have been incorrect in any material respect as of the time made; (iii) failure by the Getty Trust to observe or perform any covenant, condition, agreement or provision in the Loan Agreement on its part to be observed or performed, other than as referred to in (i) and (ii) above, or breach of any warranty by the Getty Trust contained in the Loan Agreement, for a period of 60 days after written notice, specifying such failure or breach and requesting that it be remedied, has been given to the Getty Trust by the Issuer or the Bond Trustee; except that, if such failure or breach can be remedied but not within such 60-day period and if the Getty Trust has taken all action reasonably possible to remedy such failure or breach within such 60-day period, such failure or breach shall not become a Loan Default Event for so long as the Getty Trust shall diligently proceed to remedy such failure or breach in accordance with and subject to any directions or limitations of time established by the Bond Trustee; (iv) certain incidents of bankruptcy, insolvency or similar conditions; or (v) any Event of Default as defined in and under the Indenture.

Remedies on Default

During the continuance of a Loan Default Event, the Bond Trustee on behalf of the Issuer may take such action as it deems necessary or appropriate to collect amounts due under the Loan Agreement, to enforce performance and observance of any obligation or agreement of the Getty Trust under the Loan Agreement and may, among other things exercise any or all rights and remedies given by the Loan Agreement or given by or available under any other instrument of any kind securing the Getty Trust’s performance under the Loan Agreement, declare upon written notice to the Getty Trust, an amount equal to all amounts then due and payable on the Bonds, whether by acceleration of maturity or otherwise, to be immediately due and payable under the Loan Agreement, whereupon the same shall become immediately due and payable. The Issuer or the Bond Trustee may take any action at law or

in equity to collect the payment required under the Loan Agreement then due, whether on the stated due date or by declaration of acceleration or otherwise, for damages or for specific performance or otherwise to enforce performance and observance of any obligation, agreement or covenant of the Getty Trust under the Loan Agreement. If any proceeding taken by the Bond Trustee on account of any Loan Default Event shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Bond Trustee, then and in every case the Issuer, the Bond Trustee and the Getty Trust shall be restored to their former position and rights under the Loan Agreement, respectively, and all rights, remedies and powers of the Issuer and the Bond Trustee shall continue as though no such proceeding had taken place.

Amendment of Loan Agreement

The Loan Agreement may be amended, changed or modified only as provided in the Indenture. See “INDENTURE – Amendment of Loan Agreement.”

APPENDIX D
AUCTION PROCEDURES

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Both the Definitions in Article I and the Auction Procedures in Article II are subject to modification or amendment pursuant to Schedule I. In the event of any conflict between Article I or Article II and Schedule I, Schedule I shall prevail. Any reference herein to “Series” such as “a Series of Bonds” or “Bonds of a Series” shall not apply if there is only one Series of Bonds.

ARTICLE I

Definitions

The following words and terms as used in this Appendix D (hereinafter “this Appendix”) and elsewhere in the Authorizing Document have the following meanings with respect to Bonds in an ARS Rate Period unless the context or use indicates another or different meaning or intent or the definition has been changed, modified or expanded in Schedule I:

“Agent Member” means a member of, or participant in, the Securities Depository who shall act on behalf of a Bidder.

“All Hold Rate” has the meaning set forth in Schedule I.

“ARS Conversion Date” means with respect to Bonds, the date on which the Bonds of such Series convert from an interest rate period other than an ARS Rate Period and begin to bear interest at the Auction Period Rate.

“ARS Rate Period” means, for each Series of Bonds, any period of time commencing on the day following the Initial Period and ending on the earlier of the Conversion Date or the day preceding the final maturity date of such Bonds.

“Auction” means each periodic implementation of the Auction Procedures.

“Auction Agent” means the Person appointed as Auction Agent in accordance with the Auction Agreement. The Auction Agent shall initially be the party named in Schedule I.

“Auction Agreement” means an agreement between the Auction Agent and the Trustee pursuant to which the Auction Agent agrees to follow the procedures specified in this Appendix with respect to the Bonds while such Bonds bear interest at the Auction Period Rate, as such agreement may from time to time be amended or supplemented.

“Auction Date” means with respect to any Series of Bonds:

(a) *Daily Auction Period.* If the Bonds are in a daily Auction Period, each Business Day unless such day is the Business Day prior to the conversion from a daily Auction Period to another Auction Period,

(b) *Flexible Auction Period.* If the Bonds are in a Flexible Auction Period, the last Business Day of the Flexible Auction Period, and

(c) *Other Auction Periods.* If the Bonds are in any other Auction Period, the Business Day next preceding each Interest Payment Date for such Bonds (whether or not an Auction shall be conducted on such date);

provided, however, that the last Auction Date with respect to the Bonds in an Auction Period other than a daily Auction Period or Flexible Auction Period shall be the earlier of (i) the Business Day next preceding the Interest Payment Date next preceding the Conversion Date for the Bonds and (ii) the Business Day next preceding the Interest Payment Date next preceding the final maturity date for the Bonds; and

provided, further, that if the Bonds are in a daily Auction Period, the last Auction Date shall be the earlier of (x) the second Business Day next preceding the Conversion Date for the Bonds and (y) the Business Day next preceding the final maturity date for the Bonds. The last Business Day of a Flexible Auction Period shall be the Auction Date for

the Auction Period which begins on the next succeeding Business Day, if any. On the second Business Day preceding the conversion from a daily Auction Period to another Auction Period, there shall be an Auction for the last daily Auction Period. On the Business Day preceding the conversion from a daily Auction Period to another Auction Period, there shall be one Auction for the first Auction Period following the conversion.

The first Auction Date for each Series of Bonds is set forth in Schedule I.

“Auction Desk” means the business unit of a Broker-Dealer that fulfills the responsibilities of the Broker-Dealer under a Broker-Dealer Agreement, including soliciting Bids for the Bonds, and units of the Broker-Dealer which are not separated from such business unit by information controls appropriate to control, limit and monitor the inappropriate dissemination and use of information about Bids.

“Auction Period” means with respect to each Series of Bonds:

(a) *Flexible Auction Period.* A Flexible Auction Period;

(b) *Daily Auction Period.* With respect to a Series of Bonds in a daily Auction Period, a period beginning on each Business Day and extending to but not including the next succeeding Business Day unless such Business Day is the second Business Day preceding the conversion from a daily Auction Period to another Auction Period, in which case the daily Auction Period shall extend to, but not include, the next Interest Payment Date;

(c) *Seven-day Auction Period.* With respect to a Series of Bonds in a seven-day Auction Period, if Auctions generally are conducted on the day of the week specified in column A of the table below, a period of generally seven days beginning on the day of the week specified in column B of the table below (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on the day of the week specified in column C of the table below) and ending on the day of the week specified in column C of the table below in the next succeeding week (unless such day is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day):

(A)	(B)	(C)
When Auctions Occur On this day	Auction Period Generally Begins this day	Auction Period Generally Ends this day
Friday	Monday	Sunday
Monday	Tuesday	Monday
Tuesday	Wednesday	Tuesday
Wednesday	Thursday	Wednesday
Thursday	Friday	Thursday

(d) *28-day Auction Period.* With respect to a Series of Bonds in a 28-day Auction Period, if Auctions generally are conducted on the day of the week specified in column A of the table above, a period of generally 28 days beginning on the day of the week specified in column B of the table above (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on the day of the week specified in column C of the table above) and ending on the same day of the week specified in column C of the table above four weeks later (unless such day is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day).

(e) *35-day Auction Period.* With respect to a Series of Bonds in a 35-day Auction Period, if Auctions generally are conducted on the day of the week specified in column A of the table above, a period of generally 35 days beginning on the day of the week specified in column B of the table above (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on the day of the week specified in column C of the table above) and ending on the day of the week specified in column C of the table above five weeks later (unless such day is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day).

(f) *Three-month Auction Period.* With respect to a Series of Bonds in a three-month Auction Period, a period of generally three months (or shorter period upon a conversion from another Auction Period or following an ARS Conversion Date) beginning on the day following the last day of the prior Auction Period and ending on the calendar day immediately preceding the first Business Day of the month that is the third calendar month following the beginning date of such Auction Period; and

(g) *Six-month Auction Period.* With respect to a Series of Bonds in a six-month Auction Period, a period of generally six months (or shorter period upon a conversion from another Auction Period or following an ARS Conversion Date) beginning on the day following the last day of the prior Auction Period and ending on the next succeeding date set forth in Schedule I;

Provided, however, that if there is a conversion of a Series of Bonds with Auctions generally conducted on the day of the week specified in column A of the table above, (i) from a daily Auction Period to a seven-day Auction Period, the next Auction Period shall begin on the date of the conversion (i.e. the Interest Payment Date for the prior Auction Period) and shall end on the next succeeding day of the week specified in column C of the table above (unless such day is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day), (ii) from a daily Auction Period to a 28-day Auction Period, the next Auction Period shall begin on the date of the conversion (i.e., the Interest Payment Date for the prior Auction Period) and shall end of the day of the week specified in column C of the table above (unless such day is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day) which is more than 21 days but not more than 28 days from such date of conversion, and (iii) from a daily Auction Period to a 35-day Auction Period, the next Auction Period shall begin on the date of the conversion (i.e. the Interest Payment Date for the prior Auction Period) and shall end on the day of the week specified in column C of the table above (unless such day is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day) which is more than 28 days but no more than 35 days from such date of conversion.

Notwithstanding the foregoing, if an Auction is for an Auction Period of more than seven days and the Auction Rate on such Auction Date is the Maximum Rate as the result of a lack of Sufficient Clearing Bids, the Auction Period shall automatically convert to a seven-day Auction Period. On the following Auction Date, the Auction shall be conducted for an Auction Period of the same length as the Auction Period prior to such automatic conversion. If such Auction is successful, the Auction Period shall revert to the length prior to the automatic conversion, and, if such Auction is not successful, the Auction Period shall be another seven-day period.

“Auction Period Rate” means the Auction Rate or any other rate of interest to be borne by the Bonds during each Auction Period determined in accordance with Section 2.04 of this Appendix; provided, however, in no event may the Auction Period Rate exceed the Maximum Rate.

“Auction Procedures” means the procedures for conducting Auctions for Bonds during an ARS Rate Period set forth in this Appendix.

“Auction Rate” means for each Series of Bonds for each Auction Period, (i) if Sufficient Clearing Bids exist, the Winning Bid Rate, provided, however, if all of the Bonds are the subject of Submitted Hold Orders, the All Hold Rate for such Series of Bonds and (ii) if Sufficient Clearing Bids do not exist, the Maximum Rate for such Series of Bonds.

“Authorized Denomination” means \$25,000, or such other amount specified in Schedule I, and integral multiples thereof so long as the Bonds bear interest at the Auction Period Rate, notwithstanding anything else in the Authorizing Document to the contrary.

“Authorizing Document” has the meaning set forth in Schedule I.

“Available Bonds” means, for each Series of Bonds on each Auction Date, the number of Units of Bonds that are not the subject of Submitted Hold Orders.

“Bid” has the meaning specified in subsection (a) of Section 2.01 of this Appendix.

“Bidder” means each Existing Owner and Potential Owner who places an Order.

“Bonds” has the meaning set forth in Schedule I.

“Broker-Dealer” means any entity that is permitted by law to perform the function required of a Broker-Dealer described in this Appendix, that is a member of, or a direct participant in, the Securities Depository, that has been selected by the Corporation and that is a party to a Broker-Dealer Agreement with the Auction Agent and the Corporation. The “Broker-Dealer of record” with respect to any Bond is the Broker-Dealer which placed the Order for such Bond or whom the Existing Owner of such Bond has designated as its Broker-Dealer with respect to such Bond, in each case as reflected in the records of the Auction Agent. The Broker-Dealers shall initially be the parties named in Schedule I.

“Broker-Dealer Agreement” means an agreement among the Auction Agent, the Corporation and a Broker-Dealer pursuant to which such Broker-Dealer agrees to follow the procedures described in this Appendix, as such agreement may from time to time be amended or supplemented.

“Broker-Dealer Deadline” means, with respect to an Order, the internal deadline established by the Broker-Dealer through which the Order was placed after which it will not accept Orders or any change in any Order previously placed with such Broker-Dealer; provided, however, that nothing shall prevent the Broker-Dealer from correcting Clerical Errors by the Broker-Dealer with respect to Orders from Bidders after the Broker-Dealer Deadline pursuant to the provisions herein. Any Broker-Dealer may change the time or times of its Broker-Dealer Deadline as it relates to such Broker-Dealer by giving notice not less than two Business Days prior to the date such change is to take effect to Bidders who place Orders through such Broker-Dealer.

“Business Day” in addition to any other definition of “Business Day” included in the Authorizing Document, while Bonds bear interest at the Auction Period Rate, the term Business Day shall not include Saturdays, Sundays, days on which the New York Stock Exchange or its successor is not open for business, days on which the Federal Reserve Bank of New York is not open for business, days on which banking institutions or trust companies located in the state in which the operations of the Auction Agent are conducted are authorized or required to be closed by law, regulation or executive order of the state in which the Auction Agent conducts operations with respect to the Bonds.

“Clerical Error” means a clerical error in the processing of an Order, and includes, but is not limited to, the following: (i) a transmission error, including but not limited to, an Order sent to the wrong address or number, failure to transmit certain pages or illegible transmission, (ii) failure to transmit an Order received from one or more Existing Owners or Potential Owners (including Orders from the Broker-Dealer which were not originated by the Auction Desk) prior to the Broker-Dealer Deadline or generated by the Broker-Dealer’s Auction Desk for its own account prior to the Submission Deadline or (iii) a typographical error. Determining whether an error is a “Clerical Error” is within the reasonable judgment of the Broker-Dealer, provided that the Broker-Dealer has a record of the correct Order that shows it was so received or so generated prior to the Broker-Dealer Deadline or the Submission Deadline, as applicable.

“Conversion Date” means the date on which any Series of the Bonds begin to bear interest at a rate which is determined other than by means of the Auction Procedures.

“Corporation” has the meaning set forth in Schedule I.

“Electronic Means” means, facsimile transmission, email transmission or other similar electronic means of communication providing evidence of transmission, including a telephone communication confirmed by any other method set forth in this definition.

“Error Correction Deadline” means one hour after the Auction Agent completes the dissemination of the results of the Auction to Broker-Dealers without regard to the time of receipt of such results by any Broker-Dealer; provided, however, in no event shall the Error Correction Deadline extend past 4:00 p.m., New York City time,

unless the Auction Agent experiences technological failure or force majeure in disseminating the Auction results which causes a delay in dissemination past 3:00 p.m., New York City time.

“Existing Owner” means a Person who is the beneficial owner of Bonds; provided, however, that for purposes of conducting an Auction, the Auction Agent may consider a Broker-Dealer acting on behalf of its customer as an Existing Owner.

“Flexible Auction Period” means with respect to a Series of Bonds,

(h) any period of 182 days or less which is divisible by seven and which begins on an Interest Payment Date and ends (i) in the case of a Series of Bonds with Auctions generally conducted on Fridays, on a Sunday unless such Sunday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day, (ii) in the case of a Series of Bonds with Auctions generally conducted on Mondays, on a Monday unless such Monday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day, (iii) in the case of a Series of Bonds with Auctions generally conducted on Tuesdays, on a Tuesday unless such Tuesday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day, (iv) in the case of a Series of Bonds with Auctions generally conducted on Wednesdays, on a Wednesday unless such Wednesday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day, and (v) in the case of a Series of Bonds with Auctions generally conducted on Thursdays, on a Thursday unless such Thursday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day or

(i) any period which is longer than 182 days which begins on an Interest Payment Date and ends not later than the final scheduled maturity date of such Series of Bonds.

“Hold Order” means an Order to hold the Bonds as provided in Section 2.01(a) of this Appendix or such an Order deemed to have been submitted as provided in Section 2.01(c) of this Appendix.

“Index” has the meaning set forth in Schedule I.

“Initial Period” has the meaning set forth in Schedule I.

“Initial Period Rate” has the meaning set forth in Schedule I.

“Interest Payment Date” with respect to Bonds of a Series bearing interest at Auction Period Rates, means, notwithstanding anything else in the Authorizing Document to the contrary, the first Interest Payment Date for such Series of Bonds as set forth in Schedule I and thereafter (unless changed by Schedule I) (a) when used with respect to any Auction Period other than a daily Auction Period or a Flexible Auction Period, the Business Day immediately following such Auction Period, (b) when used with respect to a daily Auction Period, the first Business Day of the month immediately succeeding the first day of such Auction Period, (c) when used with respect to a Flexible Auction Period of (i) seven or more but fewer than 183 days, the Business Day immediately following such Flexible Auction Period, or (ii) 183 or more days, each semiannual date on which interest on the Bonds would be payable if such Bonds bore interest at a fixed rate of interest and on the Business Day immediately following such Flexible Auction Period, and (d) the date when the final payment of principal of the Bonds of such Series becomes due and payable (whether at stated maturity, upon redemption or acceleration, or otherwise).

“Issuer” has the meaning set forth in Schedule I.

“Maximum Rate” has the meaning set forth in Schedule I.

“Order” means a Hold Order, Bid or Sell Order.

“Person” has the meaning set forth in Schedule I.

“Potential Owner” means any Person, including any Existing Owner, who may be interested in acquiring a beneficial interest in the Bonds in addition to the Bonds currently owned by such Person, if any; provided, however, that for purposes of conducting an Auction, the Auction Agent may consider a Broker-Dealer acting on behalf of its customer as a Potential Owner.

“Record Date” means, notwithstanding anything else in the Authorizing Document, while the Bonds bear interest at the Auction Period Rate, the Business Day immediately preceding an Interest Payment Date.

“Schedule I” means Schedule I to this Appendix.

“Securities Depository” means, notwithstanding anything else in the Authorizing Document to the contrary, The Depository Trust Company and its successors and assigns or any other securities depository selected by the Corporation.

“Sell Order” has the meaning specified in subsection (a) of Section 2.01 of this Appendix.

“Submission Deadline” means, unless changed by Schedule I, 1:00 p.m., New York City time, on each Auction Date not in a daily Auction Period and 11:00 a.m., New York City time, on each Auction Date in a daily Auction Period, or such other time on such date as shall be specified from time to time by the Auction Agent if directed in writing by the Trustee or the Corporation pursuant to the Auction Agreement as the time by which Broker-Dealers are required to submit Orders to the Auction Agent. Notwithstanding the foregoing, the Auction Agent will follow the Securities Industry and Financial Markets Association’s Early Market Close Recommendations for shortened trading days for the bond markets (the “SIFMA Recommendation”) unless the Auction Agent is instructed otherwise in writing by the Trustee or the Corporation. In the event of a SIFMA Recommendation with respect to an Auction Date, the Submission Deadline will be 11:30 a.m., instead of 1:00 p.m., New York City time.

“Submitted Bid” has the meaning specified in subsection (b) of Section 2.04 of this Appendix.

“Submitted Hold Order” has the meaning specified in subsection (b) of Section 2.04 of this Appendix.

“Submitted Order” has the meaning specified in subsection (b) of Section 2.04 of this Appendix.

“Submitted Sell Order” has the meaning specified in subsection (b) of Section 2.04 of this Appendix.

“Sufficient Clearing Bids” means for each Series of Bonds, an Auction for which the number of Units of such Bonds that are the subject of Submitted Bids by Potential Owners specifying one or more rates not higher than the Maximum Rate is not less than the number of Units of such Bonds that are the subject of Submitted Sell Orders and of Submitted Bids by Existing Owners specifying rates higher than the Maximum Rate.

“Units” has the meaning set forth in Section 2.02(a)(iii) of this Appendix.

“Winning Bid Rate” means for each Series of Bonds, the lowest rate specified in any Submitted Bid of such Series which if calculated by the Auction Agent as the Auction Rate would cause the number of Units of such Bonds that are the subject of Submitted Bids specifying a rate not greater than such rate to be not less than the number of Units of Available Bonds of such Series.

ARTICLE II

Auction Procedures

Section 2.01. Orders by Existing Owners and Potential Owners.

- (a) Prior to the Broker-Dealer Deadline for each Series of Bonds on each Auction Date:

(i) each Existing Owner may submit to a Broker-Dealer, in writing or by such other method as shall be reasonably acceptable to such Broker-Dealer, one or more Orders as to:

(A) the principal amount of Bonds, if any, held by such Existing Owner which such Existing Owner commits to continue to hold for the next succeeding Auction Period without regard to the Auction Rate for such Auction Period,

(B) the principal amount of Bonds, if any, held by such Existing Owner which such Existing Owner commits to continue to hold for the next succeeding Auction Period if the Auction Rate for the next succeeding Auction Period is not less than the rate per annum specified in such Order (and if the Auction Rate is less than such specified rate, the effect of the Order shall be as set forth in paragraph (b)(i)(A) of this Section), and/or

(C) the principal amount of Bonds, if any, held by such Existing Owner which such Existing Owner offers to sell on the first Business Day of the next succeeding Auction Period (or on the same day in the case of a daily Auction Period) without regard to the Auction Rate for the next succeeding Auction Period; and

(ii) each Potential Owner may submit to a Broker-Dealer, in writing or by such other method as shall be reasonably acceptable to such Broker-Dealer, an Order as to the principal amount of Bonds, which each such Potential Owner offers to purchase if the Auction Rate for the next succeeding Auction Period is not less than the rate per annum then specified by such Potential Owner.

For the purposes of the Auction Procedures an Order containing the information referred to in clause (i)(A) above is referred to as a "Hold Order," an Order containing the information referred to in clause (i)(B) or (ii) above is referred to as a "Bid," and an Order containing the information referred to in clause (i)(C) above is referred to as a "Sell Order."

No Auction Desk of a Broker-Dealer shall accept as an Order a submission (whether received from an Existing Owner or a Potential Owner or generated by the Broker-Dealer for its own account) which does not conform to the requirements of the Auction Procedures, including, but not limited to, submissions which are not in Authorized Denominations, specify a rate which contains more than three figures to the right of the decimal point or specify an amount greater than the amount of Outstanding Bonds. No Auction Desk of a Broker-Dealer shall accept a Bid or Sell Order which is conditioned on being filled in whole or a Bid which does not specify a specific interest rate.

(b) (i) A Bid by an Existing Owner shall constitute an offer to sell on the first Business Day of the next succeeding Auction Period (or the same day in the case of a daily Auction Period):

(A) the principal amount of Bonds specified in such Bid if the Auction Rate for the next succeeding Auction Period shall be less than the rate specified in such Bid; or

(B) such principal amount or a lesser principal amount of Bonds to be determined as described in subsection (a)(v) of Section 2.05 hereof if the Auction Rate for the next succeeding Auction Period shall be equal to such specified rate; or

(C) a lesser principal amount of Bonds to be determined as described in subsection (b)(iv) of Section 2.05 hereof if such specified rate shall be higher than the Maximum Rate and Sufficient Clearing Bids do not exist.

(ii) A Sell Order by an Existing Owner shall constitute an offer to sell:

(A) the principal amount of Bonds specified in such Sell Order; or

(B) such principal amount or a lesser principal amount of Bonds as described in subsection (b)(iv) of Section 2.05 hereof if Sufficient Clearing Bids do not exist.

(iii) A Bid by a Potential Owner shall constitute an offer to purchase:

(A) the principal amount of Bonds specified in such Bid if the Auction Rate for the next succeeding Auction Period shall be higher than the rate specified therein; or

(B) such principal amount or a lesser principal amount of Bonds as described in subsection (a)(vi) of Section 2.05 hereof if the Auction Rate for the next succeeding Auction Period shall be equal to such specified rate.

(c) Anything herein to the contrary notwithstanding:

(i) If an Order or Orders covering all of the Bonds of a particular Series held by an Existing Owner is not submitted to the Broker-Dealer of record for such Existing Owner prior to the Broker-Dealer Deadline, such Broker-Dealer shall deem a Hold Order to have been submitted on behalf of such Existing Owner covering the principal amount of Bonds held by such Existing Owner and not subject to Orders submitted to such Broker-Dealer; provided, however, that if there is a conversion from one Auction Period to a longer Auction Period and Orders have not been submitted to such Broker-Dealer prior to the Broker-Dealer Deadline covering the aggregate principal amount of Bonds of a particular Series to be converted held by such Existing Owner, such Broker-Dealer shall deem a Sell Order to have been submitted on behalf of such Existing Owner covering the principal amount of Bonds to be converted held by such Existing Owner not subject to Orders submitted to such Broker-Dealer.

(ii) for purposes of any Auction, any Order by any Existing Owner or Potential Owner shall be revocable until the Broker-Dealer Deadline, and after the Broker-Dealer Deadline, all such Orders shall be irrevocable, except as provided in Sections 2.02(e)(ii) and 2.02(f); and

(iii) for purposes of any Auction other than during a daily Auction Period, any Bonds sold or purchased pursuant to subsection (b)(i), (ii) or (iii) above shall be sold or purchased at a price equal to 100% of the principal amount thereof; provided that, for purposes of any Auction during a daily Auction Period, such sale or purchase price shall be 100% of the principal amount thereof plus accrued interest to the date of sale or purchase.

Section 2.02. Submission of Orders by Broker-Dealers to Auction Agent.

(a) Each Broker-Dealer shall submit to the Auction Agent in writing, or by such Electronic Means as shall be reasonably acceptable to the Auction Agent, prior to the Submission Deadline on each Auction Date for Bonds of a Series, all Orders with respect to Bonds of such Series accepted by such Broker-Dealer in accordance with Section 2.01 above and specifying with respect to each Order or aggregation of Orders pursuant to Section 2.02(b) below:

(i) the name of the Broker-Dealer;

(ii) the number of Bidders placing Orders, if requested by the Auction Agent;

(iii) the aggregate number of Units of Bonds of such Series, if any, that are the subject of such Order, where each Unit is equal to the principal amount of the minimum Authorized Denomination of the Bonds;

(iv) to the extent that such Bidder is an Existing Owner:

(A) the number of Units of Bonds of such Series, if any, subject to any Hold Order placed by such Existing Owner;

(B) the number of Units of Bonds of such Series, if any, subject to any Bid placed by such Existing Owner and the rate specified in such Bid; and

(C) the number of Units of Bonds of such Series, if any, subject to any Sell Order placed by such Existing Owner; and

(v) to the extent such Bidder is a Potential Owner, the rate specified in such Bid.

(b) If more than one Bid is submitted to a Broker-Dealer on behalf of any single Potential Owner, the Broker-Dealer shall aggregate each Bid on behalf of such Potential Owner submitted with the same rate and consider such Bids as a single Bid and shall consider each Bid submitted with a different rate a separate Bid with the rate and the number of Units of Bonds specified therein.

A Broker-Dealer may aggregate the Orders of different Potential Owners with those of other Potential Owners on whose behalf the Broker-Dealer is submitting Orders and may aggregate the Orders of different Existing Owners with other Existing Owners on whose behalf the Broker-Dealer is submitting Orders; provided, however, Bids may only be aggregated if the interest rates on the Bids are the same.

(c) None of the Issuer, the Corporation, the Trustee or the Auction Agent shall be responsible for the failure of any Broker-Dealer to submit an Order to the Auction Agent on behalf of any Existing Owner or Potential Owner.

(d) Nothing contained herein shall preclude a Broker-Dealer from placing an Order for some or all of the Bonds for its own account.

(e) Until the Submission Deadline, a Broker-Dealer may withdraw or modify any Order previously submitted to the Auction Agent (i) for any reason if the Order was generated by the Auction Desk of the Broker-Dealer for the account of the Broker-Dealer or (ii) to correct a Clerical Error on the part of the Broker-Dealer in the case of any other Order, including Orders from the Broker-Dealer which were not originated by the Auction Desk.

(f) After the Submission Deadline and prior to the Error Correction Deadline, a Broker-Dealer may:

(i) submit to the Auction Agent an Order received from an Existing Owner, Potential Owner or a Broker-Dealer which is not an Order originated by the Auction Desk, in each case prior to the Broker-Dealer Deadline, or an Order generated by the Broker-Dealer's Auction Desk for its own account prior to the Submission Deadline (provided that in each case the Broker-Dealer has a record of such Order and the time when such Order was received or generated) and not submitted to the Auction Agent prior to the Submission Deadline as a result of (A) an event of force majeure or a technological failure which made delivery prior to the Submission Deadline impossible or, under the conditions then prevailing, impracticable or (B) a Clerical Error on the part of the Broker-Dealer; or

(ii) modify or withdraw an Order received from an Existing Owner or Potential Owner or generated by the Broker-Dealer (whether generated by the Broker-Dealer's Auction Desk or elsewhere within the Broker-Dealer) for its own account and submitted to the Auction Agent prior to the Submission Deadline or pursuant to clause (i) above, if the Broker-Dealer determines that such Order contained a Clerical Error on the part of the Broker-Dealer.

In the event a Broker-Dealer makes a submission, modification or withdrawal pursuant to this Section 2.02(f) and the Auction Agent has already run the Auction, the Auction Agent shall rerun the Auction, taking into account such submission, modification or withdrawal. Each submission, modification or withdrawal of an Order submitted pursuant to this Section 2.02(f) by a Broker-Dealer after the Submission Deadline and prior to the Error Correction Deadline shall constitute a representation by the Broker-Dealer that (A) in the case of a newly submitted Order or portion thereof or revised Order, the failure to submit such Order prior to the Submission Deadline resulted from an event described in clause (i) above and such Order was received from an Existing Owner or Potential Owner or is an Order received from the Broker-Dealer that was not originated by the Auction Desk, in each case, prior to the Broker-Dealer Deadline, or generated internally by such Broker-Dealer's Auction Desk for its own account prior to the Submission Deadline or (B) in the case of a modified or withdrawn Order, such Order was received from an Existing Owner, a Potential Owner or the Broker-Dealer which was not originated by the Auction Desk prior to the Broker-Dealer Deadline, or generated internally by such Broker-Dealer's Auction Desk for its own account prior to the Submission Deadline and such Order as submitted to the Auction Agent contained a Clerical Error on the part of the Broker-Dealer and that such Order has been modified or withdrawn solely to effect a

correction of such Clerical Error, and in the case of either (A) or (B), as applicable, the Broker-Dealer has a record of such Order and the time when such Order was received or generated. The Auction Agent shall be entitled to rely conclusively (and shall have no liability for relying) on such representation for any and all purposes of the Auction Procedures.

(g) If after the Auction Agent announces the results of an Auction, a Broker-Dealer becomes aware that an error was made by the Auction Agent, the Broker-Dealer shall communicate such awareness to the Auction Agent prior to 5:00 p.m. New York City time on the Auction Date (or 2:00 pm. New York City time in the case of Bonds in a daily Auction Period). If the Auction Agent determines there has been such an error (as a result of either a communication from a Broker-Dealer or its own discovery) prior to 3:00 p.m. New York City time on the first day of the Auction Period with respect to which such Auction was conducted, the Auction Agent shall correct the error and notify each Broker-Dealer that submitted Bids or held a position in Bonds in such Auction of the corrected results.

(h) Nothing contained herein shall preclude the Auction Agent from:

(i) advising a Broker-Dealer prior to the Submission Deadline that it has not received Sufficient Clearing Bids for the Bonds; provided, however, that if the Auction Agent so advises any Broker-Dealer, it shall so advise all Broker-Dealers; or

(ii) verifying the Orders of a Broker-Dealer prior to or after the Submission Deadline; provided, however, that if the Auction Agent verifies the Orders of any Broker-Dealer, it shall verify the Orders of all Broker-Dealers requesting such verification.

Section 2.03. Treatment of Orders by the Auction Agent. Anything herein to the contrary notwithstanding:

(a) If the Auction Agent receives an Order which does not conform to the requirements of the Auction Procedures, the Auction Agent may contact the Broker-Dealer submitting such Order until one hour after the Submission Deadline and inform such Broker-Dealer that it may resubmit such Order so that it conforms to the requirements of the Auction Procedures. Upon being so informed, such Broker-Dealer may correct and resubmit to the Auction Agent any such Order that, solely as a result of a Clerical Error on the part of such Broker-Dealer, did not conform to the requirements of the Auction Procedures when previously submitted to the Auction Agent. Any such resubmission by a Broker-Dealer shall constitute a representation by such Broker-Dealer that the failure of such Order to have so conformed was solely as a result of a Clerical Error on the part of such Broker-Dealer. If the Auction Agent has not received a corrected conforming Order within one hour and fifteen minutes of the Submission Deadline, the Auction Agent shall, if and to the extent applicable, adjust or apply such Order, as the case may be, in conformity with the provisions of subsections (b), (c) or (d) of this Section 2.03 and, if the Auction Agent is unable to so adjust or apply such Order, the Auction Agent shall reject such Order.

(b) If any rate specified in any Bid contains more than three figures to the right of the decimal point, the Auction Agent shall round such rate up to the next highest one thousandth of one percent (0.001%).

(c) If one or more Orders covering in the aggregate more than the number of Units of Outstanding Bonds of a particular Series are submitted by a Broker-Dealer to the Auction Agent, such Orders shall be considered valid in the following order of priority:

(i) all Hold Orders shall be considered Hold Orders, but only up to and including in the aggregate the number of Units of Bonds of such Series for which such Broker-Dealer is the Broker-Dealer of record;

(ii) (A) any Bid of a Broker-Dealer shall be considered valid as a Bid of an Existing Owner up to and including the excess of the number of Units of Bonds of such Series for which such Broker-Dealer is the Broker-Dealer of record over the number of Units of the Bonds of such Series subject to Hold Orders referred to in clause (i) above;

(B) subject to clause (A) above, all Bids of a Broker-Dealer with the same rate shall be aggregated and considered a single Bid of an Existing Owner up to and including the excess of the number of Units of Bonds of such Series for which such Broker-Dealer is the Broker-Dealer of record over the number of Units of Bonds of such Series for which such Broker-Dealer is the Broker-Dealer of record subject to Hold Orders referred to in clause (i) above;

(C) subject to clause (A) above, if more than one Bid with different rates is submitted by a Broker-Dealer, such Bids shall be considered Bids of an Existing Owner in the ascending order of their respective rates up to the amount of the excess of the number of Units of Bonds of such Series for which such Broker-Dealer is the Broker-Dealer of record over the number of Units of Bonds of such Series for which such Broker-Dealer is the Broker-Dealer of record subject to Hold Orders referred to in clause (i) above; and

(D) the number of Units, if any, of such Bonds of such Series subject to Bids not considered to be Bids for which such Broker-Dealer is the Broker-Dealer of record under this clause (ii) shall be treated as the subject of a Bid by a Potential Owner;

(iii) all Sell Orders shall be considered Sell Orders, but only up to and including the number of Units of Bonds of such Series equal to the excess of the number of Units of Bonds of such Series for which such Broker-Dealer is the Broker-Dealer of record over the sum of the number of Units of the Bonds of such Series considered to be subject to Hold Orders pursuant to clause (i) above and the number of Units of Bonds of such Series considered to be subject to Bids for which such Broker-Dealer is the Broker-Dealer of record pursuant to clause (ii) above.

(d) If any Order is for other than an integral number of Units, then the Auction Agent shall round the amount down to the nearest number of whole Units, and the Auction Agent shall conduct the Auction Procedures as if such Order had been submitted in such number of Units.

(e) For purposes of any Auction other than during a daily Auction Period, if an Auction Agent has been notified by the Trustee, Issuer or Corporation that any portion of an Order by a Broker-Dealer relates to a Bond which has been called for redemption on or prior to the Interest Payment Date next succeeding such Auction, the Order shall be invalid with respect to such portion and the Auction Agent shall conduct the Auction Procedures as if such portion of such Order had not been submitted.

(f) For purposes of any Auction other than during a daily Auction Period, no portion of a Bond which the Auction Agent has been notified by the Trustee, Issuer or Corporation has been called for redemption on or prior to the Interest Payment Date next succeeding such Auction shall be included in the calculation of Available Bonds for such Auction.

(g) If an Order or Orders covering all of the Bonds of a particular Series is not submitted by a Broker-Dealer of record prior to the Submission Deadline, the Auction Agent shall deem a Hold Order to have been submitted on behalf of such Broker-Dealer covering the number of Units of Bonds for which such Broker-Dealer is the Broker-Dealer of record and not subject to Orders submitted to the Auction Agent; provided, however, that if there is a conversion from one Auction Period to a longer Auction Period and Orders have not been submitted by such Broker-Dealer prior to the Submission Deadline covering the number of Units of Bonds of a particular Series to be converted for which such Broker-Dealer is the Broker-Dealer of record, the Auction Agent shall deem a Sell Order to have been submitted on behalf of such Broker-Dealer covering the number of Units of Bonds to be converted for which such Broker-Dealer is the Broker-Dealer of record not subject to Orders submitted by such Broker-Dealer.

(h) Any Bid specifying a rate higher than the Maximum Rate will (i) be treated as a Sell Order if submitted by an Existing Owner and (ii) not accepted if submitted by a Potential Owner.

Section 2.04. Determination of Auction Period Rate.

(a) If requested by the Trustee or a Broker-Dealer, not later than 10:30 a.m., New York City time (or such other time as may be agreed to by the Auction Agent and all Broker-Dealers), on each Auction Date for each Series of Bonds, the Auction Agent shall advise such Broker-Dealer (and thereafter confirm to the Trustee, if requested) of the All Hold Rate, the Index and, if the Maximum Rate is not a fixed interest rate, the Maximum Rate. Such advice, and confirmation, shall be made by telephone or other Electronic Means acceptable to the Auction Agent.

(b) Promptly after the Submission Deadline for each Series of Bonds on each Auction Date, the Auction Agent shall assemble all Orders submitted or deemed submitted to it by the Broker-Dealers (each such Order as submitted or deemed submitted by a Broker-Dealer being hereinafter referred to as a "Submitted Hold Order," a "Submitted Bid" or a "Submitted Sell Order," as the case may be, and collectively as a "Submitted Order") and shall determine (i) the Available Bonds, (ii) whether there are Sufficient Clearing Bids, and (iii) the Auction Rate.

(c) In the event the Auction Agent shall fail to calculate or, for any reason, fails to provide the Auction Rate on the Auction Date, for any Auction Period (i) if the preceding Auction Period was a period of 35 days or less, (A) a new Auction Period shall be established for the same length of time as the preceding Auction Period, if the failure to make such calculation was because there was not at the time a duly appointed and acting Auction Agent or Broker-Dealer, and the Auction Period Rate for the new Auction Period shall be the percentage of the Index set forth in Schedule I under "Determination of Auction Period Rate" if the Index is ascertainable on such date (by the Auction Agent, if there is at the time an Auction Agent, or the Trustee, if at the time there is no Auction Agent) or, (B) if the failure to make such calculation was for any other reason or if the Index is not ascertainable on such date, the prior Auction Period shall be extended to the seventh day following the day that would have been the last day of the preceding Auction Period (or if such seventh day is not followed by a Business Day then to the next succeeding day that is followed by a Business Day) and the Auction Period Rate for the period as so extended shall be the same as the Auction Period Rate for the Auction Period prior to the extension, and (ii) if the preceding Auction Period was a period of greater than 35 days, (A) a new Auction Period shall be established for a period that ends on the seventh day following the day that was the last day of the preceding Auction Period, (or if such seventh day is not followed by a Business Day then to the next succeeding day which is followed by a Business Day) if the failure to make such calculation was because there was not at the time a duly appointed and acting Auction Agent or Broker-Dealer, and the Auction Period Rate for the new Auction Period shall be the percentage of the Index set forth in Schedule I under "Determination of Auction Period Rate" if the Index is ascertainable on such date (by the Auction Agent, if there is at the time an Auction Agent, or the Trustee, if at the time there is no Auction Agent) or, (B) if the failure to make such calculation was for any other reason or if the Index is not ascertainable on such date, the prior Auction Period shall be extended to the seventh day following the day that would have been the last day of the preceding Auction Period (or if such seventh day is not followed by a Business Day then to the next succeeding day that is followed by a Business Day) and the Auction Period Rate for the period as so extended shall be the same as the Auction Period Rate for the Auction Period prior to the extension. In the event a new Auction Period is established as set forth in clause (ii) (A) above, an Auction shall be held on the last Business Day of the new Auction Period to determine an Auction Rate for an Auction Period beginning on the Business Day immediately following the last day of the new Auction Period and ending on the date on which the Auction Period otherwise would have ended had there been no new Auction Period or Auction Periods subsequent to the last Auction Period for which a Winning Bid Rate or an All Hold Rate had been determined. In the event an Auction Period is extended as set forth in clause (i) (B) or (ii) (B) above, an Auction shall be held on the last Business Day of the Auction Period as so extended to determine an Auction Rate for an Auction Period beginning on the Business Day immediately following the last day of the extended Auction Period and ending on the date on which the Auction Period otherwise would have ended had there been no extension of the prior Auction Period.

Notwithstanding the foregoing, neither new nor extended Auction Periods shall total more than 35 days in the aggregate. If at the end of the 35 days the Auction Agent fails to calculate or provide the Auction Rate, or there is not at the time a duly appointed and acting Auction Agent or Broker-Dealer, the Auction Period Rate shall be the Maximum Rate.

(d) In the event of a failed conversion from an Auction Period to any other period or in the event of a failure to change the length of the current Auction Period due to the lack of Sufficient Clearing Bids at the Auction on the Auction Date for the first new Auction Period, the Auction Period Rate for the next Auction Period shall be the Maximum Rate and the Auction Period shall be a seven-day Auction Period.

(e) If the Bonds are no longer maintained in book-entry-only form by the Securities Depository, then the Auctions shall cease and the Auction Period Rate shall be the Maximum Rate.

Section 2.05. Allocation of Bonds.

(a) In the event of Sufficient Clearing Bids for a Series of Bonds, subject to the further provisions of subsections (c) and (d) below, Submitted Orders for each Series of Bonds shall be accepted or rejected as follows in the following order of priority:

(i) the Submitted Hold Order of each Existing Owner shall be accepted, thus requiring each such Existing Owner to continue to hold the Bonds that are the subject of such Submitted Hold Order;

(ii) the Submitted Sell Order of each Existing Owner shall be accepted and the Submitted Bid of each Existing Owner specifying any rate that is higher than the Winning Bid Rate shall be rejected, thus requiring each such Existing Owner to sell the Bonds that are the subject of such Submitted Sell Order or Submitted Bid;

(iii) the Submitted Bid of each Existing Owner specifying any rate that is lower than the Winning Bid Rate shall be accepted, thus requiring each such Existing Owner to continue to hold the Bonds that are the subject of such Submitted Bid;

(iv) the Submitted Bid of each Potential Owner specifying any rate that is lower than the Winning Bid Rate shall be accepted, thus requiring each such Potential Owner to purchase the Bonds that are the subject of such Submitted Bid;

(v) the Submitted Bid of each Existing Owner specifying a rate that is equal to the Winning Bid Rate shall be accepted, thus requiring each such Existing Owner to continue to hold the Bonds that are the subject of such Submitted Bid, but only up to and including the number of Units of Bonds obtained by multiplying (A) the aggregate number of Units of Outstanding Bonds which are not the subject of Submitted Hold Orders described in clause (i) above or of Submitted Bids described in clauses (iii) or (iv) above by (B) a fraction the numerator of which shall be the number of Units of Outstanding Bonds held by such Existing Owner subject to such Submitted Bid and the denominator of which shall be the aggregate number of Units of Outstanding Bonds subject to such Submitted Bids made by all such Existing Owners that specified a rate equal to the Winning Bid Rate, and the remainder, if any, of such Submitted Bid shall be rejected, thus requiring each such Existing Owner to sell any excess amount of Bonds;

(vi) the Submitted Bid of each Potential Owner specifying a rate that is equal to the Winning Bid Rate shall be accepted, thus requiring each such Potential Owner to purchase the Bonds that are the subject of such Submitted Bid, but only in an amount equal to the number of Units of Bonds obtained by multiplying (A) the aggregate number of Units of Outstanding Bonds which are not the subject of Submitted Hold Orders described in clause (i) above or of Submitted Bids described in clauses (iii), (iv) or (v) above by (B) a fraction the numerator of which shall be the number of Units of Outstanding Bonds subject to such Submitted Bid and the denominator of which shall be the sum of the aggregate number of Units of Outstanding Bonds subject to such Submitted Bids made by all such Potential Owners that specified a rate equal to the Winning Bid Rate, and the remainder of such Submitted Bid shall be rejected; and

(vii) the Submitted Bid of each Potential Owner specifying any rate that is higher than the Winning Bid Rate shall be rejected.

(b) In the event there are not Sufficient Clearing Bids for a Series of Bonds, Submitted Orders for each Series of Bonds shall be accepted or rejected as follows in the following order of priority:

(i) the Submitted Hold Order of each Existing Owner shall be accepted, thus requiring each such Existing Owner to continue to hold the Bonds that are the subject of such Submitted Hold Order;

(ii) the Submitted Bid of each Existing Owner specifying any rate that is not higher than the Maximum Rate shall be accepted, thus requiring each such Existing Owner to continue to hold the Bonds that are the subject of such Submitted Bid;

(iii) the Submitted Bid of each Potential Owner specifying any rate that is not higher than the Maximum Rate shall be accepted, thus requiring each such Potential Owner to purchase the Bonds that are the subject of such Submitted Bid;

(iv) the Submitted Sell Orders of each Existing Owner shall be accepted as Submitted Sell Orders and the Submitted Bids of each Existing Owner specifying any rate that is higher than the Maximum Rate shall be deemed to be and shall be accepted as Submitted Sell Orders, in both cases only up to and including the number of Units of Bonds obtained by multiplying (A) the aggregate number of Units of Bonds subject to Submitted Bids described in clause (iii) of this subsection (b) by (B) a fraction the numerator of which shall be the number of Units of Outstanding Bonds held by such Existing Owner subject to such Submitted Sell Order or such Submitted Bid deemed to be a Submitted Sell Order and the denominator of which shall be the number of Units of Outstanding Bonds subject to all such Submitted Sell Orders and such Submitted Bids deemed to be Submitted Sell Orders, and the remainder of each such Submitted Sell Order or Submitted Bid shall be deemed to be and shall be accepted as a Hold Order and each such Existing Owner shall be required to continue to hold such excess amount of Bonds; and

(v) the Submitted Bid of each Potential Owner specifying any rate that is higher than the Maximum Rate shall be rejected.

(c) If, as a result of the undertakings described in Section 2.05(a) or (b) above, any Existing Owner or Potential Owner would be required to purchase or sell an aggregate principal amount of the Bonds that is not an integral multiple of an Authorized Denomination on any Auction Date, the Auction Agent shall by lot, in such manner as it shall determine in its sole discretion, round up or down the principal amount of the Bonds to be purchased or sold by any Existing Owner or Potential Owner on such Auction Date so that the aggregate principal amount of the Bonds purchased or sold by each Existing Owner or Potential Owner on such Auction Date shall be an integral multiple of such Authorized Denomination, even if such allocation results in one or more of such Existing Owners or Potential Owners not purchasing or selling any Bonds on such Auction Date.

(d) If, as a result of the undertakings described in Section 2.05(a) above, any Potential Owner would be required to purchase less than an Authorized Denomination in principal amount of the Bonds on any Auction Date, the Auction Agent shall by lot, in such manner as it shall determine in its sole discretion, allocate the Bonds for purchase among Potential Owners so that the principal amount of the Bonds purchased on such Auction Date by any Potential Owner shall be an integral multiple of such Authorized Denomination, even if such allocation results in one or more of such Potential Owners not purchasing the Bonds on such Auction Date.

Section 2.06. Notice of Auction Period Rate.

(a) On each Auction Date, the Auction Agent shall notify each Broker-Dealer that participated in the Auction held on such Auction Date by Electronic Means acceptable to the Auction Agent and the applicable Broker-Dealer of the following, with respect to each Series of Bonds for which an Auction was held on such Auction Date:

(i) the Auction Period Rate determined on such Auction Date for the succeeding Auction Period;

(ii) whether Sufficient Clearing Bids existed for the determination of the Winning Bid Rate;

(iii) if such Broker-Dealer submitted a Bid or a Sell Order on behalf of an Existing Owner, whether such Bid or Sell Order was accepted or rejected and the number of Units of Bonds, if any, to be sold by such Existing Owner;

(iv) if such Broker-Dealer submitted a Bid on behalf of a Potential Owner, whether such Bid was accepted or rejected and the number of Units of Bonds, if any, to be purchased by such Potential Owner;

(v) if the aggregate number of Units of the Bonds to be sold by all Existing Owners on whose behalf such Broker-Dealer submitted Bids or Sell Orders is different from the aggregate number of Units of Bonds to be purchased by all Potential Owners on whose behalf such Broker-Dealer submitted a Bid, the name or names of one or more Broker-Dealers (and the Agent Member, if any, of each such other Broker-Dealer) and the number of Units of Bonds to be (A) purchased from one or more Existing Owners on whose behalf such other Broker-Dealers submitted Bids or Sell Orders or (B) sold to one or more Potential Owners on whose behalf such Broker-Dealer submitted Bids; and

(vi) the amount of dividend or interest payable per Unit on each Interest Payment Date with respect to such Auction Period; and

(vii) the immediately succeeding Auction Date.

(b) On each Auction Date, with respect to each Series of Bonds for which an Auction was held on such Auction Date, each Broker-Dealer that submitted an Order on behalf of any Existing Owner or Potential Owner shall: (i) if requested by an Existing Owner or a Potential Owner, advise such Existing Owner or Potential Owner on whose behalf such Broker-Dealer submitted an Order as to (A) the Auction Period Rate determined on such Auction Date, (B) whether any Bid or Sell Order submitted on behalf of such Owner was accepted or rejected and (C) the immediately succeeding Auction Date; (ii) instruct each Potential Owner on whose behalf such Broker-Dealer submitted a Bid that was accepted, in whole or in part, to instruct such Potential Owner's Agent Member to pay to such Broker-Dealer (or its Agent Member) through the Securities Depository the amount necessary to purchase the number of Units of Bonds to be purchased pursuant to such Bid (including, with respect to the Bonds in a daily Auction Period, accrued interest if the purchase date is not an Interest Payment Date for such Bond) against receipt of such Bonds; and (iii) instruct each Existing Owner on whose behalf such Broker-Dealer submitted a Sell Order that was accepted or a Bid that was rejected in whole or in part, to instruct such Existing Owner's Agent Member to deliver to such Broker-Dealer (or its Agent Member) through the Securities Depository the number of Units of Bonds to be sold pursuant to such Bid or Sell Order against payment therefor.

(c) The Auction Agent shall give notice of the Auction Rate to the Corporation, Issuer and Trustee by mutually acceptable Electronic Means and the Trustee shall promptly give notice of such Auction Rate to the Securities Depository.

Section 2.07. Index.

(a) If for any reason on any Auction Date the Index shall not be determined as provided in Schedule I, the Index shall be the Index for the prior Business Day.

(b) The determination of the Index as provided in Schedule I and herein shall be conclusive and binding upon the Issuer, the Corporation, the Trustee, the Broker-Dealers, the Auction Agent and the Owners of the Bonds.

Section 2.08. Miscellaneous Provisions Regarding Auctions.

(a) In this Appendix, each reference to the purchase, sale or holding of Bonds shall refer to beneficial interests in Bonds, unless the context clearly requires otherwise.

(b) During an ARS Rate Period with respect to each Series of Bonds, the provisions of the Authorizing Document and the definitions contained therein and described in this Appendix, including without limitation the definitions of All Hold Rate, Index, Interest Payment Date, Maximum Rate, Auction Period Rate and Auction Rate, may be amended pursuant to the Authorizing Document by obtaining the consent of the owners of all affected Outstanding Bonds bearing interest at the Auction Period Rate as follows. If on the first Auction Date occurring at least 20 days after the date on which the Trustee mailed notice of such proposed amendment to the

registered owners of the affected Outstanding Bonds as required by the Authorizing Document, (i) the Auction Period Rate which is determined on such date is the Winning Bid Rate or the All Hold Rate and (ii) there is delivered to the Corporation and the Trustee an opinion of Bond Counsel to the effect that such amendment shall not adversely affect the validity of the Bonds or any exemption from federal income taxation to which the interest on the Bonds would otherwise be entitled, the proposed amendment shall be deemed to have been consented to by the registered owners of all affected Outstanding Bonds bearing interest at an Auction Period Rate.

(c) If the Securities Depository notifies the Issuer that it is unwilling or unable to continue as registered owner of the Bonds or if at any time the Securities Depository shall no longer be registered or in good standing under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation and a successor to the Securities Depository is not appointed by the Issuer within 90 days after the Issuer receives notice or becomes aware of such condition, as the case may be, the Auctions shall cease and the Issuer shall execute and the Trustee shall authenticate and deliver certificates representing the Bonds. Such Bonds shall be registered in such names and Authorized Denominations as the Securities Depository, pursuant to instructions from the Agent Members or otherwise, shall instruct the Issuer and the Trustee.

During an ARS Rate Period, so long as the ownership of the Bonds is maintained in book-entry form by the Securities Depository, an Existing Owner or a beneficial owner may sell, transfer or otherwise dispose of a Bond only pursuant to a Bid or Sell Order in accordance with the Auction Procedures or to or through a Broker-Dealer, provided that (i) in the case of all transfers other than pursuant to Auctions, such Existing Owner or its Broker-Dealer or its Agent Member advises the Auction Agent of such transfer and (ii) a sale, transfer or other disposition of Bonds from a customer of a Broker-Dealer who is listed on the records of that Broker-Dealer as the holder of such Bonds to that Broker-Dealer or another customer of that Broker-Dealer shall not be deemed to be a sale, transfer or other disposition for purposes of this paragraph if such Broker-Dealer remains the Existing Owner of the Bonds so sold, transferred or disposed of immediately after such sale, transfer or disposition.

(d) Unless specifically provided otherwise in Schedule I, the Auction Agent shall continue to implement the Auction Procedures notwithstanding the occurrence of an Event of Default under the Authorizing Document.

Section 2.09. Changes in Auction Period or Auction Date.

(a) *Changes in Auction Period.*

(i) During any ARS Rate Period, the Corporation, may, from time to time on the Interest Payment Date immediately following the end of any Auction Period, change the length of the Auction Period with respect to all of the Bonds of a Series among daily, seven-days, 28-days, 35-days, three months, six months or a Flexible Auction Period in order to accommodate economic and financial factors that may affect or be relevant to the length of the Auction Period and the interest rate borne by such Bonds. The Corporation shall initiate the change in the length of the Auction Period by giving written notice to the Issuer, the Trustee, the Auction Agent, the Broker-Dealers and the Securities Depository that the Auction Period shall change if the conditions described herein are satisfied and the proposed effective date of the change, at least 10 Business Days prior to the Auction Date for such Auction Period.

(ii) Any such changed Auction Period shall be for a period of one day, seven-days, 28-days, 35-days, three months, six months or a Flexible Auction Period and shall be for all of the Bonds of such Series.

(iii) The change in length of the Auction Period shall take effect only if Sufficient Clearing Bids exist at the Auction on the Auction Date for such new Auction Period. For purposes of the Auction for such new Auction Period only, except to the extent any Existing Owner submits an Order with respect to such Bonds of any Series, each Existing Owner shall be deemed to have submitted Sell Orders with respect to all of its Bonds of such Series if the change is to a longer Auction Period and a Hold Order if the change is to a shorter Auction Period. If there are not Sufficient Clearing Bids for the first Auction Period, the Auction Rate for the new Auction Period shall be the Maximum Rate, and the Auction Period shall be a seven-day Auction Period.

(b) *Changes in Auction Date.* During any ARS Rate Period, the Auction Agent, at the direction of the Corporation, may specify an earlier or later Auction Date (but in no event more than five Business Days earlier or later) than the Auction Date that would otherwise be determined in accordance with the definition of “Auction Date” in order to conform with then current market practice with respect to similar securities or to accommodate economic and financial factors that may affect or be relevant to the day of the week constituting an Auction Date and the interest rate borne by the Bonds. The Auction Agent shall provide notice of the Corporation’s direction to specify an earlier Auction Date for an Auction Period by means of a written notice delivered at least 45 days prior to the proposed changed Auction Date to the Trustee, the Issuer, the Corporation and the Broker-Dealers with a copy to the Securities Depository. In the event the Auction Agent is instructed to specify an earlier or later Auction Date, the days of the week on which an Auction Period begins and ends, the day of the week on which an Auction Period ends and the Interest Payment Dates relating to a such Auction Period shall be adjusted accordingly.

(c) *Changes Resulting from Unscheduled Holidays.* If, in the opinion of the Auction Agent and the Broker-Dealers, there is insufficient notice of an unscheduled holiday to allow the efficient implementation of the Auction Procedures set forth herein, the Auction Agent and the Broker-Dealers may, as they deem appropriate, set a different Auction Date and adjust any Interest Payment Dates and Auction Periods affected by such unscheduled holiday. In the event there is not agreement among the Broker-Dealers, the Auction Agent shall set the different Auction Date and make such adjustments as directed by the Broker-Dealer for a majority of the outstanding Units (based on the number of Units for which a Broker-Dealer is listed as the Broker-Dealer in the Existing Owner Registry maintained by the Auction Agent pursuant to Section 2.2(a) of the Auction Agreement), and, if there is not a majority so directing, the Auction Date shall be moved to the next succeeding Business Day following the scheduled Auction Date, and the Interest Payment Date and the Auction Period shall be adjusted accordingly.

SCHEDULE I
TO
AUCTION PROCEDURES

In the event of any conflict between this Schedule I and Appendix D, this Schedule I shall prevail.

Definitions

“All Hold Rate” means as of any date of determination the interest rate per annum equal to the lesser of (1) the maximum interest rate permitted by law and (2) 55% of the Index.

“Auction Agent” shall initially be The Bank of New York.

“Auction Date” shall include as part of the definition the first Auction Date which shall be November 5, 2007 for the Series 2007A-1 Bonds, November 1, 2007 for the Series 2007A-2 Bonds, October 30, 2007 for the Series 2007A-3 Bonds and October 31, 2007 for the Series 2007A-4 Bonds.

“Auction Period” shall include in the Six-month Auction Period either March 31 or September 30.

“Authorized Denomination” means \$25,000 unless another amount is specified here.

“Authorizing Document” means that certain Bond Indenture dated as of October 1, 2007 between the Issuer and the Trustee.

“Bonds” means the Series 2007A-1 Bonds, the Series 2007A-2 Bonds, the Series 2007A-3 Bonds and the Series 2007A-4 Bonds.

“Broker-Dealer” shall initially mean Morgan Stanley & Co. Incorporated and Bear Stearns & Co., Inc.

“Corporation” means The J. Paul Getty Trust, a charitable trust created and existing under the laws of the State and under an Indenture dated December 2, 1953, as amended, or said charitable trust’s successor or successors.

“Index” means, on any Auction Date with respect to Bonds in any Auction Period of 35 days or less, the One Month LIBOR Rate. The Index with respect to Bonds in any Auction Period of more than 35 days shall be the rate on United States Treasury Securities having a maturity which most closely approximates the length of the Auction Period as last published in The Wall Street Journal or such other source as may be mutually agreed upon by the Trustee and the Broker-Dealers. If either rate is unavailable, the Index shall be an index or rate agreed to by all Broker-Dealers and consented to by the Corporation. For the purpose of this definition an Auction Period of 35 days or less means a 35-day Auction Period or shorter Auction Period, i.e. a 35-day Auction Period which is extended because of a holiday would still be considered an Auction Period of 35 days or less.

“Initial Period” means the period from the Date of Issuance to November 5, 2007 with respect to the Series 2007A-1 Bonds, November 1, 2007 with respect to the Series 2007A-2 Bonds, October 30, 2007 with respect to the Series 2007A-3 Bonds and October 31, 2007 with respect to the Series 2007A-4 Bonds. Following an ARS Conversion Date the Initial Period shall mean the period specified as the “Initial Period” by the Broker-Dealer.

“Initial Period Rate” means (a) for an Initial Period commencing on the Date of Issuance, the rate set by the managing underwriter prior to delivery of the Bonds and (b) for an Initial Period commencing on an ARS Conversion Date the lowest rate which, in the judgment of the Broker-Dealer, is necessary to enable the Bonds to be remarketed at a price equal to the principal amount thereof, plus accrued interest, if any, on the ARS Conversion Date. Such determination shall be conclusive and binding upon the Corporation, the Issuer, the Trustee, the Auction Agent and the Bondholders. Not later than 5:00 p.m., New York City time, on the date of determination of the

Initial Period Rate, the Broker-Dealer shall notify the Trustee, the Corporation and the Auction Agent of the Initial Period Rate by Electronic Means.

“Interest Payment Date” includes the first Interest Payment Date which shall be November 6, 2007 for the Series 2007A-1 Bonds, November 2, 2007 for the Series 2007A-2 Bonds, October 31, 2007 for the Series 2007A-3 Bonds and November 1, 2007 for the Series 2007A-4 Bonds.

“Issuer” means the California Infrastructure and Economic Development Bank.

“Maximum Rate” means fifteen percent (15%) per annum.

“One Month LIBOR Rate” means, as of any date of determination, the offered rate for deposits in U.S. dollars for a one-month period which appears on the Reuters Screen LIBOR01 Page at approximately 11:00 a.m., London time, on such date, or if such date is not a date on which dealings in U.S. dollars are transacted in the London interbank market, then on the next preceding day on which such dealings were transacted in such market.

“Person” has the meaning given to such term in the Authorizing Document.

“Trustee” means the Bond Trustee as defined in Section 1.01 of the Authorizing Document.

Auction Procedures

Determination of Auction Period Rate. The percentage of the Index in Section 2.04(c) is 100% for any Bond the interest on which is not includable in gross income of the beneficial owner of such Bond for federal income tax purposes and 150% for any Bond the interest on which is includable in gross income of the beneficial owner of such Bond for federal income tax purposes.

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APPENDIX E

PROPOSED FORM OF BOND COUNSEL OPINION

[Closing Date]

California Infrastructure and Economic
Development Bank
Sacramento, California

California Infrastructure and Economic Development Bank
Refunding Revenue Bonds (The J. Paul Getty Trust)
Series 2007A-1, Series 2007A-2, Series 2007A-3 and Series 2007A-4 (Auction Rate Securities)
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the California Infrastructure and Economic Development Bank (the “Issuer”) in connection with issuance of \$270,475,000 aggregate principal amount of California Infrastructure and Economic Development Bank Refunding Revenue Bonds (The J. Paul Getty Trust), Series 2007A-1, Series 2007A-2, Series 2007A-3 and Series 2007A-4 (the “Bonds”), issued pursuant to the provisions of the Bergeson-Peace Infrastructure and Economic Development Bank Act (commencing with Section 63000 of the California Government Code) and a bond indenture, dated as of October 1, 2007 (the “Indenture”), between the Issuer and The Bank of New York Trust Company, N.A., as trustee (the “Trustee”). The Indenture provides that the Bonds are issued for the purpose of making a loan of the proceeds thereof to The J. Paul Getty Trust (the “Getty Trust”) pursuant to a loan agreement, dated as of October 1, 2007 (the “Loan Agreement”), between the Issuer and the Getty Trust. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

In such connection, we have reviewed the Indenture, the Loan Agreement, the Tax Certificate and Agreement, dated the date hereof (the “Tax Certificate”), between the Issuer and the Getty Trust, opinions of counsel to the Issuer and the Getty Trust, certificates of the Issuer, the Trustee, the Getty Trust and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

We have relied on the opinion of Caplin & Drysdale, Chartered, special tax counsel to the Getty Trust, regarding, among other matters, the current qualification of the Getty Trust as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the “Code”). We note that the opinion is subject to a number of qualifications and limitations. We have also relied upon representations of the Getty Trust regarding the use of the facilities refinanced with the proceeds of Bonds by the Getty Trust in activities that are not considered unrelated trade or business activities of the Getty Trust within the meaning of Section 513 of the Code. We note

that the opinion of counsel to the Getty Trust does not address Section 513 of the Code. Failure of the Getty Trust to be organized and operated in accordance with the Internal Revenue Service's requirements for the maintenance of its status as an organization described in Section 501(c)(3) of the Code, or use of the bond-financed facilities in activities that are considered unrelated trade or business activities of the Getty Trust within the meaning of Section 513 of the Code, may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of issuance of the Bonds.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events, or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Issuer. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second and third paragraphs hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture, the Loan Agreement and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Indenture, the Loan Agreement and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in or as subject to the lien of the Indenture or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute the valid and binding limited obligations of the Issuer.
2. The Indenture has been duly executed and delivered by, and constitutes the valid and binding obligation of, the Issuer. The Indenture creates a valid pledge, to secure the payment of the principal of and interest on the Bonds, of the Revenues and any other amounts (including proceeds of the sale of the Bonds) held by the Trustee in any fund or account established pursuant to the Indenture, except the Rebate Fund and the Purchase Fund, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.
3. The Loan Agreement has been duly executed and delivered by, and constitutes a valid and binding agreement of, the Issuer.
4. The Bonds are not a lien or charge upon the funds or property of the Issuer except to the extent of the aforementioned pledge. Neither the faith and credit nor the taxing power of the State of California or of any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds. The Bonds are not a debt of the State of California, and said State is not liable for the payment thereof.
5. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. Interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although we observe that it is included in adjusted current earnings when calculating corporate alternative minimum taxable income. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

per

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APPENDIX F

BOOK-ENTRY ONLY SYSTEM

General

The information in this Appendix F concerning The Depository Trust Company (“DTC”), New York, New York, and DTC’s book-entry system has been obtained from DTC and the Infrastructure Bank takes no responsibility for the completeness or accuracy thereof. The Infrastructure Bank cannot and does not give any assurances that DTC, DTC Participants or DTC Indirect Participants will distribute to the beneficial owners (a) payments of interest, principal or premium, if any, with respect to the Series 2007A Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Series 2007A Bonds, or (c) redemption, tender or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Series 2007A Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Series 2007A Bonds. The Series 2007A Bonds will be issued as fully-registered securities without coupons registered in the name of Cede & Co. (DTC’s partnership nominee). One fully-registered Series 2007A Bond will be issued for each Series of the Series 2007A Bonds, each in the aggregate principal amount of such Series, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (“NSCC”, “FICC”, and “EMCC”, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear

through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Series 2007A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2007A Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2007A Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2007A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owner(s). Beneficial Owner(s) will not receive certificates representing their ownership interests in the Series 2007A Bonds, except in the event that use of the book-entry system for the Series 2007A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2007A Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2007A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owner(s) of the Series 2007A Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2007A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC if less than all of the Series 2007A Bonds within an issue are being redeemed. DTC’s practice is to determine, by lot, the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2007A Bonds unless authorized by a Direct Participant in accordance with DTC’s Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Series 2007A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2007A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s

receipt of funds and corresponding detail information from the Infrastructure Bank or the Bond Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Bond Trustee, or the Infrastructure Bank, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Infrastructure Bank or the Bond Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owner(s) will be the responsibility of Direct and Indirect Participants.

NONE OF THE INFRASTRUCTURE BANK, THE GETTY TRUST OR THE BOND TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO THE PAYMENTS OR THE PROVIDING OF NOTICE TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OR THE SELECTION OF BONDS FOR REDEMPTION.

None of the Infrastructure Bank, the Getty Trust or the Bond Trustee can give any assurances that DTC, DTC Participants, Indirect Participants or others will distribute payments of principal of, premium, if any, and interest on the Series 2007A Bonds paid to DTC or its nominee, as the registered Owner, or any redemption or other notice, to the Beneficial Owners or that they will do so on a timely basis or that DTC will serve and act in a manner described in this Official Statement.

Discontinuance of Book-Entry System

DTC may discontinue providing its services as securities depository with respect to the Series 2007A Bonds at any time by giving reasonable notice to the Infrastructure Bank or the Bond Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, physical certificates are required to be printed and delivered.

The Infrastructure Bank may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, physical certificates will be printed and delivered to DTC.

In the event that the book-entry system is discontinued as described above, the requirements of the Indenture will apply. The foregoing information concerning DTC and DTC's book-entry system has been provided by DTC, and neither the Infrastructure Bank nor the Bond Trustee take any responsibility for the accuracy thereof.

None of the Infrastructure Bank, the Getty Trust or the Underwriters can and do not give any assurances that DTC, the Participants or others will distribute payments of principal, interest or premium, if any, evidenced by the Series 2007A Bonds paid to DTC or its nominee as the registered owner, or will distribute any redemption notices or other notices, to the Beneficial

Owners, or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. None of the Infrastructure Bank, the Getty Trust or the Underwriters is responsible or liable for the failure of DTC or any Participant to make any payment or give any notice to a Beneficial Owner with respect to the Series 2007A Bonds or an error or delay relating thereto.

THE BOND TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE SERIES 2007A BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES TO OWNERS ONLY TO DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OR SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE SERIES 2007A BONDS CALLED FOR REDEMPTION OR ANY OTHER ACTION PREMISED ON SUCH NOTICE.

APPENDIX G

FORM OF CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT (the “Disclosure Agreement”) is entered into as of _____, 2007, by and between The J. Paul Getty Trust (the “Getty Trust”) for the benefit of the Owners and Beneficial Owners of the Bonds (as hereinafter defined) and The Bank of New York Trust Company, N.A. (the “Dissemination Agent”) in connection with the issuance of \$270,475,000 aggregate principal amount of California Infrastructure and Economic Development Bank Refunding Revenue Bonds (The J. Paul Getty Trust) Series 2007A-1, Series 2007A-2, Series 2007A-3 and Series 2007A-4 (the “Bonds”).

WITNESSETH:

WHEREAS, the California Infrastructure and Economic Development Bank (the “Issuer”) will issue and sell the Bonds;

WHEREAS, pursuant to a Bond Indenture, dated as of October 1, 2007 (the “Indenture”), by and between the Issuer and The Bank of New York Trust Company, N.A., as bond trustee, the Issuer has provided for the issuance of the Bonds; and

WHEREAS, the SECURITIES AND EXCHANGE COMMISSION (the “SEC”) has adopted Rule 15c2-12 under the SECURITIES EXCHANGE ACT OF 1934, as amended (the “1934 Act”);

NOW THEREFORE, the Getty Trust covenants and agrees for the benefit of the Owners and Beneficial Owners of the Bonds as follows:

SECTION 1. Definitions. Capitalized terms, unless otherwise defined herein, shall have the meanings set forth in the Indenture.

“Annual Report” shall mean any Annual Report provided by the Getty Trust pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Beneficial Owner” shall mean any Person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Business Day” shall mean a day which is not a Saturday, a Sunday or a legal holiday on which banking institutions in the State of California are closed.

“Disclosure Representative” shall mean the Vice President, Finance and Administration of the Getty Trust or his or her designee, or such other officer or employee as the Getty Trust shall designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean The Bank of New York Trust Company, N.A., or any successor Dissemination Agent designated in writing by the Getty Trust.

“Fiscal Year” shall mean the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period hereafter selected and designated as

the official Fiscal Year period of the Getty Trust and certified to the Trustee in writing by an authorized representative of the Getty Trust.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“National Repository” shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The National Repositories currently approved by the Securities and Exchange Commission (the “SEC”) are listed in the SEC website at <http://www.sec.gov/info/municipal/nrmsir.htm>.

“Official Statement” shall mean the Official Statement relating to the Bonds dated October 18, 2007.

“Owner” or “Bond Owner,” whenever used herein with respect to a Bond, shall mean the Person in whose name the ownership of such Bond is registered on the bond register maintained pursuant to the Indenture.

“Person” shall mean an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Repositories” shall mean each National Repository and each State Repository, if any.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the 1934 Act, as the same may be amended from time to time.

“State Repository” shall mean any public or private repository or entity designated by the State of California as a state repository for purposes of the Rule and recognized as such by the SEC.

“Trustee” shall mean The Bank of New York Trust Company, N.A., or any successor trustee under the Indenture.

“Underwriters” shall mean Morgan Stanley & Co. Incorporated and Bear, Stearns & Co. Inc.

SECTION 2. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Getty Trust for the benefit of the Owners and the Beneficial Owners, and in order to assist the Underwriters in complying with Rule 15c2-12.

SECTION 3. Provision of Annual Reports. (a) The Getty Trust shall, or shall cause the Dissemination Agent to, not later than six (6) months following the end of the Fiscal Year of the Getty Trust, commencing with the Fiscal Year of the Getty Trust ended June 30, 2007, provide to each Repository copies of an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Getty Trust may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Fiscal Year of the Getty Trust changes from that in effect as of the date hereof, it shall give notice of such change in the same manner as for a Listed Event under Section 5(f).

(b) Not later than 15 Business Days prior to the date specified in subsection (a) for providing the Annual Report to Repositories, the Getty Trust shall provide the Annual Report to the Dissemination Agent. If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Getty Trust to determine if the Getty Trust is in compliance with subsection (a).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the Repositories by the date required in subsection (a), the Dissemination Agent shall send a notice to each National and State Repository or the Municipal Securities Rulemaking Board in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of the Repositories, if any;

(ii) file a report with the Getty Trust certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and listing all the Repositories to which it was provided; and

(iii) use its best efforts to file the Annual Report electronically to the Repositories and the Municipal Securities Rulemaking Board.

SECTION 4. Content of Annual Reports. The combined Annual Report of the Getty Trust shall contain or include by reference combined audited Financial Statements of the Getty Trust prepared in accordance with generally accepted accounting principles for the Fiscal Year ended (the “Financial Statements”); provided, however, that in the event that such Financial Statements shall not be available, unaudited financial statements or updated projected operating results covering the previous Fiscal Year may be substituted therefor; provided, further, that audited Financial Statements shall be filed in the same manner as the Annual Report as soon as such Financial Statements become available.

SECTION 5. Reporting of Significant Events.

(a) The occurrence of any of the following events with respect to the Bonds shall be a Listed Event:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions or events affecting the tax-exempt status of the security;
- (vii) modifications to rights of security holders;
- (viii) bond calls (other than mandatory scheduled redemptions, not otherwise contingent upon the occurrence of an event, including but not limited to, sinking fund payments);
- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of the securities; or
- (xi) rating changes.

(b) The Dissemination Agent shall, promptly upon obtaining actual knowledge at the address listed in Section 12 hereof of the occurrence of any of the Listed Events, contact the Disclosure Representative, inform such person of the event, and request that the Getty Trust promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (f).

(c) Whenever the Getty Trust obtains knowledge of the occurrence of a Listed Event, whether because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the Getty Trust shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the Getty Trust has determined that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Getty Trust shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (f).

(e) If in response to a request under subsection (b), the Getty Trust determines that the Listed Event would not be material under applicable federal securities laws, the Getty Trust shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).

(f) If the Dissemination Agent has been instructed by the Getty Trust to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the Municipal Securities Rulemaking Board and the Repositories. Notwithstanding the foregoing, notice of the occurrence of a Listed Event described in subsections (a)(viii) and (ix) need not be given under this subsection any earlier than the notice, if any, of the underlying event is given to Owners of affected Bonds pursuant to the Indenture and notice of any other Listed Event is required only following the actual occurrence of the Listed Event.

(g) The Dissemination Agent may conclusively rely on an opinion of counsel that the Getty Trust's instructions to the Dissemination Agent under this Section 5 comply with the requirements of the Rule.

SECTION 6. Termination of Reporting Obligation. The Getty Trust's and the Dissemination Agent's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Getty Trust shall give notice of such termination in the same manner as for a Listed Event under Section 5(d).

SECTION 7. Dissemination Agent. The Getty Trust may, from time to time, appoint or engage a successor Dissemination Agent to assist it in carrying out their obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent. Upon such discharge, however, a new Dissemination Agent must be appointed within 60 days. The Dissemination Agent may resign by providing 60 days written notice to the Getty Trust. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Getty Trust pursuant to this Disclosure Agreement. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent. The Dissemination Agent shall receive reasonable compensation for its services delivered pursuant to this Disclosure Agreement. The initial Dissemination Agent shall be The Bank of New York Trust Company, N.A.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Getty Trust may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that any of the following conditions is satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; or

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners of the Bonds, or (ii) does not, in the opinion of the Dissemination Agent or nationally recognized bond counsel, materially impair the interests of the Owners or Beneficial Owners of the Bonds. The Getty Trust also may amend or terminate this Disclosure Agreement without approval by the Owners of the Bonds to the extent permitted by rule, order or other official pronouncement of the SEC expressly permitting such action or approved by an opinion of nationally recognized bond counsel.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Getty Trust shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Getty Trust. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(d), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Getty Trust from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Getty Trust chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the Getty Trust shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Getty Trust to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of any Underwriters or the Owners of at least 25% of aggregate principal amount of the Bonds then Outstanding, shall but only to the extent indemnified to its satisfaction from any liability or expense, including fees of its attorneys), or any Owner or Beneficial Owner may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Getty Trust to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, the Loan Agreement (as defined in the Indenture) or any related document, and the sole remedy under this Disclosure Agreement in the event of any failure of the Getty Trust or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance, and no Person shall be entitled to recover monetary damages under this Disclosure Agreement.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Getty Trust agrees, to the extent permitted by law, to indemnify and save the Dissemination Agent, or his or her employees and agents, harmless against any loss, expense and liabilities which he or she may incur arising out of or in the exercise or performance of his or her powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct.

SECTION 12. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the Getty Trust:
The J. Paul Getty Trust
1200 Getty Center Drive
Los Angeles, California 90049
Attn: Vice President, Finance and Administration
Fax: 310-440-6181

To the Dissemination Agent:
The Bank of New York Trust Company, N.A.
700 S. Flower Street, Suite 500
Los Angeles, California 90017
Fax: 213-614-3355

with copies to (if Dissemination Agent is no longer the Trustee):
The Bank of New York Trust Company, N.A.
700 S. Flower Street, Suite 500
Los Angeles, California 90017
Fax: 213-630-6215

Any Person may, by written notice to the other Persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent. Notices to the Trustee shall be effective on the actual receipt thereof.

SECTION 13. Use of Central Post Office. Notwithstanding any other provision in this Disclosure Agreement, the Annual Report and notices of material events shall be filed either directly with each Repository or, at the option of the Getty Trust through DisclosureUSA or any similar electronic filing service approved for such purpose by the Securities and Exchange Commission. If filed by the Getty Trust or the Dissemination Agents with DisclosureUSA, that entity shall forward the filings to each Repository and no separate filing with the Repositories will be made by the Getty Trust or the Dissemination Agent.

SECTION 14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Getty Trust, the Dissemination Agent, the Underwriters, the Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 15. Governing Law. THIS DISCLOSURE AGREEMENT SHALL BE GOVERNED BY THE LAWS OF CALIFORNIA DETERMINED WITHOUT REGARD TO THE PRINCIPLES OF CONFLICT OF LAW.

IN WITNESS WHEREOF, the Getty Trust and the Dissemination Agent each have caused this Disclosure Agreement to be executed and attested by its proper officer thereunto duly authorized, as of the day and year first above written.

THE J. PAUL GETTY TRUST

By: _____
Name:
Title:

**THE BANK OF NEW YORK TRUST
COMPANY, N.A., as Dissemination Agent**

By: _____
Name:
Title:

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name: The J. Paul Getty Trust

Name of Bond Issue: California Infrastructure and Economic Development Bank
Refunding Revenue Bonds (The J. Paul Getty Trust)
Series 2007A-1, Series 2007A-2, Series 2007A-3 and Series 2007A-4

Date of Issuance: _____, 2007

Series 2007A-1 Bonds CUSIP: 13033W E66

Series 2007A-2 Bonds CUSIP: 13033W E74

Series 2007A-3 Bonds CUSIP: 13033W E82

Series 2007A-4 Bonds CUSIP: 13033W E90

NOTICE IS HEREBY GIVEN that THE J. PAUL GETTY TRUST (the "Getty Trust") has not provided an Annual Report due December 31 with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Agreement, dated as of _____, 2007, entered into by the Getty Trust for the benefit of the Owners of the Bonds. The Getty Trust anticipates that the Annual Report will be filed by _____, ____.

Dated: _____

The Bank of New York Trust Company, N.A.,
as Dissemination Agent

By _____
Title: _____
Phone: _____

cc: The J. Paul Getty Trust
The Bank of New York Trust Company, N.A.
Morgan Stanley & Co. Incorporated
Bear, Stearns & Co. Inc.

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