

§ \_\_\_\_\_  
**CITY OF PASADENA**  
**REFUNDING CERTIFICATES OF PARTICIPATION**  
**SERIES 2008C**

Evidencing the Fractional Interests of the Owners Thereof  
In Base Rental Payments to Be Made by the

**CITY OF PASADENA**

As Rental for Certain Leased Property  
Pursuant to a Sublease with the  
**PASADENA PUBLIC FINANCING AUTHORITY**

**CERTIFICATE PURCHASE AGREEMENT**

\_\_\_\_\_, 2008

City of Pasadena  
100 North Garfield Drive  
Pasadena, CA 91109

Pasadena Public Financing Authority  
c/o City of Pasadena  
100 North Garfield Drive  
Pasadena, CA 91109

Ladies and Gentlemen:

De La Rosa & Co. and Wedbush Morgan Securities, Inc. (collectively, the "Underwriters") do hereby offer to enter into this Certificate Purchase Agreement (this "Agreement") with you, the City of Pasadena, a municipal corporation and charter city organized and existing under the laws of the State of California (the "City") and the Pasadena Public Financing Authority, a joint exercise of powers authority organized and existing under the laws of the State of California (the "Authority"), for the purchase by the Underwriters of the \$ \_\_\_\_\_ aggregate principal amount of Refunding Certificates of Participation, Series 2008C, evidencing and representing Base Rental Payments of the City, as defined below. This offer is made subject to acceptance by the City and the Authority prior to 5:00 p.m., California Time, on the date hereof, and upon such acceptance this Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the City, the Authority and the Underwriters. All terms not defined herein shall have the meanings set forth in the Trust Agreement hereinafter mentioned.

**1. Purchase Price; Description of Certificates.** Upon the terms and conditions and upon the basis of the representations herein set forth, the Underwriters hereby agree to purchase and the City hereby agrees to cause to be delivered to the Underwriters, all (but not less than all) of the \$\_\_\_\_\_ aggregate principal amount of the Certificates to be dated as of the Closing Date as described herein (and more fully described in the Trust Agreement hereinafter mentioned), at an aggregate purchase price of \$\_\_\_\_\_ (which is the principal amount of the Certificates, plus a net original issue premium of \$\_\_\_\_\_ and less an Underwriters' discount of \$\_\_\_\_\_).

The Certificates shall be as described in, and shall be secured under, an Amended and Restated Trust Agreement, dated as of January 1, 2003, as amended and supplemented, including by that certain Fifth Supplemental Trust Agreement, dated as of \_\_\_\_\_ 1, 2008 (collectively, the "Trust Agreement"), by and among the City, the Authority and The Bank of New York Trust Company, N.A., Los Angeles, California, as trustee (the "Trustee") substantially in the form previously submitted to the Underwriters with only such changes therein as shall be mutually agreed upon by the Trustee, the City, the Authority and the Underwriters. Each Certificate evidences a direct, undivided fractional interest of the owner thereof in the Base Rental Payments ("Base Rental Payments") to be paid by the City pursuant to an Amendment and Restated Sublease, dated as of January 1, 2003, as amended and supplemented, including by that certain Supplement No. 5 to Sublease, dated as of \_\_\_\_\_ 1, 2008 (collectively, the "Sublease"), between the Authority as lessor and the City as lessee. The Certificates will mature on February 1 in the years, and interest represented by the Certificates will be payable on each February 1 and August 1, commencing August 1, 2008, as set forth in Appendix A attached hereto. Certain rights of the Authority under the Sublease have been assigned to the Trustee under the Assignment Agreement dated as of January 1, 2003, as amended, between the Authority and the Trustee (the "Assignment Agreement"). The City leased certain of its property (the "Leased Property") which is subject to the Sublease to the Authority under an Amended and Restated Lease Agreement, dated as of January 1, 2003, as amended and supplemented, including by that certain Supplement No. 5 to Lease, dated as of \_\_\_\_\_ 1, 2008 (collectively, the "Lease"), between the City as lessor and the Authority as lessee.

The purpose for which the Certificates are being delivered is to provide funds to refund and defease \$\_\_\_\_\_ aggregate principal amount of the City's outstanding 2003 Variable Rate Demand Certificates of Participation (City Hall and Park Improvement Projects) (the "Refunded Certificates") and to pay the costs of issuance of the Certificates. The Refunded Certificates were executed and delivered in order to provide funds to refinance a variety of capital improvements for the City. The refunding of the Refunded Certificates will be accomplished through a deposit of proceeds of the Certificates into a dedicated account within the Prepayment Fund established under the Trust Agreement.

**2. Public Offering.** The Underwriters agree to make an initial public offering of all the Certificates at the public offering prices (or yields) set forth on Appendix A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriters reserve the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Certificates, provided that the Underwriters may not change the interest rates set forth on Appendix A. The Certificates may be offered and sold to certain dealers at prices lower than such initial public offering prices. The Underwriters must provide to the City on the Closing Date a certificate setting forth the offering prices to the public of each

maturity of the Certificates at which a substantial amount of such maturities were sold, in a form acceptable to Special Counsel.

**3. Delivery of Official Statement.** The City has delivered or caused to be delivered to the Underwriters prior to the execution of this Agreement, copies of the Preliminary Official Statement relating to the Certificates (the "Preliminary Official Statement"). Such Preliminary Official Statement is the official statement deemed final by the City for purposes of Rule 15c2-12, promulgated by The Securities and Exchange Commission (the "Rule"), and approved for distribution by resolution of the City. The City shall execute and deliver to the Underwriters a certification to such effect in the form attached hereto as Appendix B.

Within 7 business days from the date hereof (and, thereafter, for such period of time ending on the earlier of: (a) 90 days after the End of the Underwriting Period (as hereinafter defined); or (b) the time when the Official Statement becomes available from a "national recognized municipal securities information repository" (each, a "NRMSIR"), but in no event less than 25 days after the End of the Underwriting Period), the City shall deliver to the Underwriters a final Official Statement, executed on behalf of the City by an authorized representative of the City and dated the date hereof, which shall include information permitted to be omitted by paragraph (b)(1) of the Rule and with such other amendments or supplements as shall have been approved by the City and the Underwriters. The City also agrees to deliver to the Underwriters, at the City's sole cost and at such address as the Underwriters shall specify, as many copies of the Official Statement as the Underwriters shall reasonably request as necessary to comply with paragraph (b)(4) of the Rule and with Rule G-32 and all other applicable rules of the-Municipal Securities Rulemaking Board.

As used herein, the term "End of the Underwriting Period" means the later of such time as (i) the Certificates are delivered to the Underwriters, or (ii) the Underwriters do not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Certificates for sale to the public. Unless the Underwriters give notice to the contrary, the End of the Underwriting Period will be the Closing Date. Any notice delivered pursuant to this provision shall be written notice delivered to the City at or prior to the Closing Date, and shall specify a date (other than the Closing Date) to be deemed the "End of the Underwriting Period."

For a period of 25 days after the Closing Date, the Underwriters agree to deliver a copy of the Official Statement to each of their customers purchasing Certificates no later than the settlement date of such purchase transaction. The Underwriters agree to deliver the Official Statement, promptly upon receipt thereof, to at least one NRMSIR.

**4. Representations of City.** The City hereby warrants, represents to and covenants with the Underwriters that:

(a) Official Statement. The statements and information contained in the Official Statement (including any financial and statistical data contained therein) are true and correct in all material respects and the statements and information in the Official Statement (including any financial and statistical data contained therein) do not and will not omit any statement or information which is necessary to make the statements and information therein, in

the light of the circumstances under which they were made, not misleading in any material respect.

(b) Continuing Disclosure Certificate. The City will undertake, pursuant to the Trust Agreement and a Continuing Disclosure Agreement by and between the City and Digital Assurance Certification, L.L.C. (the “Continuing Disclosure Agreement”), to provide certain annual financial information and notices of the occurrence of certain events, if material. A form of the Continuing Disclosure Agreement is set forth in the Preliminary Official Statement and will also be set forth in the Final Official Statement.

(c) Valid Obligations. The City is a municipal corporation and charter city organized and existing under the laws of the State of California and has all necessary power and authority to enter into and perform its duties under the Lease, the Sublease, the Trust Agreement, the Continuing Disclosure Certificate and this Agreement (collectively, the “City Documents”) and, when executed and delivered by the respective parties thereto, the City Documents will constitute legal, valid and binding obligations of the City enforceable in accordance with their respective terms.

(d) Due Authorization. The City Council of the City has duly authorized by resolution, all action necessary to be taken by it for the execution, delivery and due performance of the City Documents and the Official Statement and the taking of any and all such action as may be required on the part of the City to carry out, give effect to and consummate the transactions contemplated hereby.

(e) Consents and Approvals. No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the City that has not been obtained is or will be required for the execution and delivery of the Certificates or the consummation by the City of the other transactions contemplated by the City Documents and the Official Statement, except as such may be required for applicable state securities or blue sky laws.

(f) No Violations. The execution and delivery by the City of the City Documents, the Official Statement and the execution and delivery of the Certificates to be caused by the City, and compliance with the terms thereof, will not conflict with, or result in a violation or breach of, or constitute a default under, any lease, indenture, bond, note, resolution or any other agreement or instrument to which the City is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the City or any of its activities or properties, or result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the City, except as may arise in connection with the transactions herein described.

(g) No Defaults. The City is not in breach of or default under any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any lease, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, and no event has occurred and is continuing

which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument.

(h) No Litigation. To the best knowledge of the City, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or governmental agency, public board or body pending or threatened against or affecting the existence of the City or seeking to prohibit, restrain or enjoin the execution and delivery of the Certificates or the collection of revenues pledged or to be pledged to pay the principal of and interest on the Certificates, or in any way contesting or affecting the validity or enforceability of the City Documents or contesting the powers of the City or its authority to enter into, adopt or perform its obligation under any of the foregoing, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby and by the Official Statement, or which, in any way, would adversely affect the validity of the Certificates, the City Documents or any agreement or instrument to which the City is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby and by the Official Statement or the exemption from taxation as set forth herein.

(i) Use of Proceeds. The City will apply or cause to be applied the proceeds of the Certificates for the purposes described in the Official Statement.

(j) Blue Sky Qualification. The City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request in order (i) to qualify the Certificates for offer and sale under the blue sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate, and (ii) to determine the eligibility of the Certificates for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Certificates; provided, however, that the City shall not be required to qualify to do business or consent to service of process in connection with any such qualification or determination in any jurisdiction.

(k) Amendment of Official Statement. If between the date of this Agreement and the Closing Date an event occurs or fact exists, of which the City has knowledge, which might or would cause the information relating to the City, its functions, duties and responsibilities contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, the City will notify the Underwriters, and if in the opinion of the Underwriters, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will cooperate with the Underwriters in the preparation of an amendment or supplement to the Official Statement in a form and in a manner approved by the Underwriters, provided all expenses thereby incurred will be paid for by the City.

(l) Condition of Official Statement. If the information relating to the City, its functions, duties and responsibilities contained in the Official Statement is amended or supplemented pursuant to the immediately preceding subparagraph, at the time of each

supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the Closing Date, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading.

(m) Preservation of Tax Status. The City covenants that it will take no action and will cause no action to be taken which would cause the interest represented by the Certificates to be included in gross income taxes for federal income tax purposes, or to become subject to State of California personal income taxation.

(n) No Additional City Obligations. Between the date hereof and the Closing Date, without the prior written consent of the Underwriters, the City will not issue any bonds, notes or other obligations for borrowed money on behalf of the City or entered into any material transaction, in either case other than in the ordinary course of business except for such borrowings or material transactions as may be described in or contemplated by the Official Statement.

(o) City Financial Statements. The City's annual report audited by Mayer Hoffman McCann P.C., certified public accountants, for the fiscal year ended June 30, 2007, is a fair presentation of the financial position of the City as of the dates indicated and the results of its operations and changes in its fund balances for the periods specified. Since June 30, 2007, there has been no material adverse change in the condition, financial or otherwise, of the City from that set forth in such annual report as of and for the period ended that date, and the City has not since June 30, 2007, incurred any material liabilities, directly or indirectly, except in the ordinary course of its operations or as described in the Official Statement.

The execution and delivery of this Agreement by the City shall constitute a representation by the City to the Underwriters that the representations and warranties contained in this Paragraph 4 are true as of the date hereof.

**5. Representations of Authority.** The Authority hereby warrants, represents to and covenants with the Underwriters that:

(a) Condition of Official Statement. The statements and information contained in the Official Statement relating to the Authority, its functions, duties and responsibilities are and will be true, correct and complete in all material respects and the Official Statement does not omit any statement or information which is necessary to make such statements and information therein, in the light of the circumstances under which they were made, not misleading in any material respect.

(b) Valid Obligations. The Authority is a joint exercise of powers authority duly organized and existing under the laws of the State of California and has all necessary power and authority to enter into and perform its duties under the Lease, the Assignment Agreement, the Trust Agreement, the Site Lease, the Escrow Agreement and this Agreement (collectively, the "Authority Documents") and, when executed and delivered by the respective parties thereto,

the Authority Documents will constitute legal, valid and binding obligations of the Authority enforceable in accordance with their respective terms.

(c) Due Authorization. The Authority has taken official action by resolution adopted by a majority of the members of the Board at a meeting duly called, noticed and conducted, at which a quorum was present and acting throughout, approving all action necessary to be taken by it for the execution, delivery and due performance of the Authority Documents and the Official Statement and the taking of any and all such action as may be required on the part of the Authority to carry out, give effect to and consummate the transactions contemplated hereby and thereby.

(d) Consents and Approvals. No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Authority that has not been obtained is or will be required for the execution and delivery of the Certificates or the consummation by the Authority of the other transactions contemplated by the Authority Documents and the Official Statement, except as such may be required for the state securities or blue sky laws.

(e) No Violations. The execution and delivery of the Authority Documents, and compliance with the provisions on the Authority's part contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, lease, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Authority under the terms of any such law, administrative regulation, judgment, decree, lease, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Authority Documents.

(f) No Defaults. The Authority is not in breach of or default under any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any lease, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject which would have an adverse impact on the Authority's ability to perform its obligations under the Authority Documents and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument.

(g) No Litigation. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or threatened against the Authority affecting the existence of the Authority or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the execution or delivery of the Certificates, or in any way contesting or affecting the validity or enforceability of the Certificates, the Authority Documents or contesting the powers of the Authority or its authority to enter into, adopt or perform its obligations under any of the foregoing, or contesting in any way the completeness or accuracy of the Official Statement or any amendment or supplement thereto, wherein an unfavorable decision, ruling or finding would

materially adversely affect the validity or enforceability of the Certificates or the Authority Documents.

**6. The Closing.** At 8:00 a.m., California time, on \_\_\_\_\_, 2008, or at such other time or on such earlier or later business day as are mutually agreed upon by the City and the Underwriters (the "Closing Date"), the Authority and the City will deliver (i) the Certificates in definitive form (one security for each annual maturity) to the Underwriters through the facilities of The Depository Trust Company ("DTC") in New York, New York, with CUSIP identification numbers printed thereon, in fully registered form and registered in the name of Cede & Co., and (ii) the closing documents hereinafter mentioned at the offices of Sidley Austin LLP, as Special Counsel ("Special Counsel") in San Francisco, California, or another place to be mutually agreed upon by the City and the Underwriters. The Underwriters will accept such delivery and pay the purchase price of the Certificates as set forth in Section 1 by federal funds wire payable to the order of the Trustee on behalf of the City. This payment and delivery, together with the delivery of the aforementioned documents, is herein called the "Closing."

**7. Further Conditions to Purchase of Certificates.** The Underwriters have entered into this Agreement in reliance upon the representations and agreements of the City and the Authority herein. The Underwriters' obligations under this Agreement are and shall be subject to the following further conditions:

(a) Condition of City Documents. At the Closing Date, the City Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto and the City Documents and the Authority Documents and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriters and there shall be in full force and effect such resolutions as, in the opinion of Special Counsel, are necessary in connection with the transactions contemplated hereby.

(b) Delivery of Documents and Opinions. At or prior to the Closing Date, the following documents shall be executed and delivered substantially to the following effect:

(1) Final Opinion of Special Counsel. The approving final legal opinion of Special Counsel in substantially the form attached to the Official Statement.

(2) Supplemental Opinion of Special Counsel. The Supplemental opinion of Special Counsel in form and substance satisfactory to the Underwriters, addressed to the Underwriters and the City, dated the Closing Date, to the effect that:

(i) the statements in the Official Statement on the cover page relating to tax exemption, description of the Certificates and security for the Certificates, and statements under the captions "INTRODUCTION," "THE 2008C CERTIFICATES," "SOURCES OF PAYMENT FOR THE 2008C CERTIFICATES," "APPENDIX A - SUMMARY OF PRINCIPAL LEGAL DOCUMENTS" and "LEGAL MATTERS — Tax Matters," insofar as such statements purport to summarize certain provisions of the Certificates, the Trust Agreement, the Sublease, the Lease, the Assignment Agreement and the final



approving opinion of Special Counsel, fairly and accurately summarize the information presented therein;

(ii) the City Documents which have been duly authorized, executed and delivered by the City, and assuming the due authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding agreements of the City and are enforceable against the City in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights, by the application of equitable principles if equitable remedies are sought, and to limitations on legal remedies against public agencies in the State of California;

(iii) the Authority Documents which have been duly authorized, executed and delivered by the Authority constitute legal, valid and binding agreements of the Authority and are enforceable against the Authority in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights, by the application of equitable principles if equitable remedies are sought, and to limitations on legal remedies against public agencies in the State of California; and

(iv) the Certificates are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification as a trust agreement pursuant to the Trust Indenture Act of 1939, as amended.

(3) Disclosure Counsel Opinion. A letter addressed to the City and the Underwriters, from Sidley Austin LLP, as Disclosure Counsel, substantially to the effect that during the course of serving as Disclosure Counsel in connection with the execution and delivery of the Certificates and without having undertaken to determine independently or assuming any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement, no information came to the attention of the attorneys in such firm rendering legal services in connection with the execution and delivery of the Certificates that would lead them to believe that the Official Statement (excluding therefrom the financial statements, any financial or statistical data, or forecasts, charts, numbers, estimates, projections, assumptions or expressions of opinion included in the Official Statement), as of the date thereof or the Closing Date, contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(4) City Attorney Opinion. An opinion of the City Attorney of the City, dated the Closing Date and addressed to the City and the Underwriters, substantially to the effect that:

(i) the City is a municipal corporation and charter city duly organized, validly existing and in good standing under the laws of the State of California;

(ii) the resolutions of the City approving and authorizing the execution and delivery of the City Documents and approving the Official Statement were duly

adopted at meetings which were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout;

(iii) to the best of such counsel's knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public office or body, pending or threatened against or affecting the City, which would adversely impact the City's ability to complete the transactions described in and contemplated by the Official Statement, to restrain or enjoin the collection of Base Rental Payments under the Lease, or in any way contesting or affecting the validity of the City Documents or the transactions described in and contemplated hereby and by the Official Statement wherein an unfavorable decision, ruling or finding would adversely affect the validity and enforceability of the City Documents or in which a final adverse decision could materially adversely affect the operations of the City;

(iv) the execution and delivery of the City Documents and the approval of the Official Statement and compliance with the provisions thereof and hereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or by which it is bound or, to the best of such counsel's knowledge, any existing law, regulation, court order or consent decree to which the City is subject;

(v) the City Documents have been duly authorized, executed and delivered by the City, and, assuming due authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding agreements of the City enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights, by the application of equitable principles if equitable remedies are sought, and to limitations on legal remedies against public agencies in the State of California; and

(vi) no authorization, approval, consent, or other order of any court or governmental body is required for the valid authorization, execution and delivery of the City Documents and the approval of the Official Statement or the consummation by the City of the transactions contemplated herein and in the Official Statement, except such as have been obtained and except such as may be required under state securities or blue sky laws in connection with the purchase and distribution of the Certificates by the Underwriters.

(5) Authority Counsel Opinion. An opinion of the City Attorney, as counsel to the Authority, dated the Closing Date, and addressed to the Authority and the Underwriters, substantially to the effect that:

(i) the Authority is a joint exercise of powers agency duly organized, validly existing and in good standing under the laws of the State of California;

(ii) the Authority has full power and authority to enter into the Authority Documents; and

(iii) the Authority Documents have each been validly authorized, executed and delivered by the Authority and, assuming due authorization, execution

and delivery by and enforceability against the other parties thereto, constitute legal, valid and binding agreements of the Authority, enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights and by the application of equitable principles if equitable remedies are sought.

(6) Certificate of City. A certificate, dated the Closing Date, from a duly authorized official of the City, confirming the representations and warranties of the City contained herein and addressing such additional matters as may be requested by Special Counsel.

(7) Certificate of Authority. A certificate, dated the Closing Date, from a duly authorized representative of the Authority, confirming the representations and warranties of the Authority contained herein, and addressing such other matters as may be requested by Special Counsel.

(8) Trustee's Certificate. A certificate of the Trustee, dated the date of Closing, addressed to the City and the Underwriters, substantially to the effect that:

(i) The Trustee has all necessary power to enter into, accept and administer the trust created under the Trust Agreement;

(ii) The Trust Agreement and the Assignment Agreement have been duly authorized, executed and delivered by the Trustee and the Trustee Documents constitute the legal, valid and binding obligations of the Trustee enforceable in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought;

(iii) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the execution and delivery of the Trustee Documents or the performance by the Trustee of its duties and obligations under the Trustee Documents;

(iv) The Certificates have been executed by a duly authorized officer of the Trustee;

(v) The execution and delivery by the Trustee of the Trustee Documents and compliance with the terms thereof will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, indenture, bond, note, resolution or any other agreement or instrument to which the Trustee is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Trustee or any of its activities or properties (except that no representation, warranty or agreement need be made by such counsel with respect to any federal or State securities or blue sky laws or regulations); and

(vi) There is no action, suit, proceeding or investigation, at law or in equity, before or by any court or governmental agency, public board or body pending, or to the best knowledge of the Trustee, threatened against the Trustee which in the reasonable

judgment of the Trustee would affect the existence of the Trustee or in any way contesting or affecting the validity or enforceability of the Trustee Documents or contesting the powers of the Trustee or its authority to enter into and perform its obligations thereunder.

(9) Trustee's Counsel Opinion. An opinion of counsel to the Trustee, addressed to the Underwriters, the Authority and the City, dated the date of the Closing, substantially to the effect that:

(i) the Trustee is a national banking association duly organized and validly existing under the laws of the United States, having full corporate power to undertake the trust created under the Trust Agreement;

(ii) the Trustee Documents have each been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery by the other parties thereto, the Trustee Documents constitute the valid, legal and binding obligations of the Trustee enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought;

(iii) the Trustee has duly executed and delivered the Certificates upon the order of the City;

(iv) the Trustee's actions in executing and delivering the Trustee Documents are in full compliance with, and do not conflict with any applicable law or governmental regulation and, to the best of such counsel's knowledge, after reasonable inquiry with respect thereto, do not conflict with or violate any contract to which the Trustee is a party or any administrative or judicial decision by which the Trustee is bound; and

(v) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Trustee that has not been obtained is or will be required for the execution and delivery of the Certificates or the consummation by the Trustee of its obligations under the Trustee Documents.

(10) Executed Documents. Executed copies of the City Documents; certified copies of resolutions adopted by the City Council of the City authorizing the execution and delivery of the City Documents and approving and authorizing the Official Statement and its distribution; certified copies of resolutions adopted by the Authority authorizing the execution and delivery of the Authority Documents; tax-exemption certification by the City in form and substance acceptable to Special Counsel.

(11) Final Official Statement. Receipt by the Underwriters, within 7 business days from the execution hereof, of copies of the Final Official Statement sufficient in number to allow the Underwriters to comply with paragraph (b)(4) of the Rule and the satisfy the Municipal Securities Rulemaking Board (the "MSRB") Rule G-32 or any other rules adopted by the MSRB.

(12) Ratings. Evidence that the Certificates have received a rating of “\_\_\_” from Standard & Poor’s and a rating of “\_\_\_” from Fitch Ratings.

(13) Joint Powers Agreement. A certified copy of the Joint Exercise of Powers Agreement forming the Authority, together with certified copies of the filings required by Sections 6503.5, 6503.7, 53051 of the Government Code; and

(14) Other Matters. Such additional legal opinions, certificates, proceedings, instruments and other documents as Special Counsel may reasonably request to evidence compliance by the City with legal requirements, the truth and accuracy, as of the Closing Date, of the representations contained herein and in the Official Statement and the due performance or satisfaction by the City at or prior to such time of all agreements then to be performed and all conditions then to be satisfied.

**8. Underwriters’ Right to Cancel.** The Underwriters have the right to terminate this Agreement, without liability therefor, by notification to the City if at any time at or prior to the Closing, upon the occurrence of any Termination Event as described in Appendix C.

**9. Closing Documents.** The City’s obligations hereunder are subject to the receipt, at or before the Closing Date of the documents, opinions and certifications described in Section 6.

**10. Post-Closing Obligations of City.** After the Closing Date, (a) the City will not adopt any amendment of or supplement to the Official Statement to which the Underwriters shall object in writing or which shall be disapproved by the Underwriters and (b) if, at any time when the Official Statement is required to be delivered under the Securities Exchange Act of 1934, any event occurs as a result of which, it may be necessary to amend or supplement the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, the City shall notify the Underwriters and, if in the opinion of the City or the Underwriters, such event requires the preparation and publication of an amendment or supplement to the Official Statement, the City, at its expense, promptly will prepare an appropriate amendment or supplement thereto (and file, or cause to be filed, the same with a nationally recognized municipal securities information repository) so that the statements in the Official Statement as so amended or supplemented will not, in light of the circumstances under which they were made, be misleading, in a form and in a manner approved by the Underwriters.

**11. Costs and Expenses.** Whether or not the transactions contemplated by this Agreement are consummated, the City shall pay (and the Underwriters shall be under no obligation to pay) all expenses and costs incurred by the City incident to the performance of its obligations hereunder, including, but not limited to (a) the initial fees and disbursements of the Trustee and its counsel; (b) the fees and disbursements of Special Counsel, Disclosure Counsel and any other experts, consultants or advisors retained by the City; (c) the fees, if any, for Certificate ratings; (d) the cost of printing the Certificates; and (e) the cost of preparation, printing and distribution of the Preliminary Official Statement and Official Statement.

The Underwriters shall pay (i) all advertising expenses in connection with the public offering of the Certificates; (ii) the fees payable to the California Debt Investment and Advisory Commission in connection with the Certificates; and (iii) all other expenses incurred by the Underwriters in connection with the public offering and distribution of the Certificates, including but not limited to CUSIP service bureau fees and MSRB fees.

**12. Notices.** Any notice or other communication to be given to the City under this Agreement may be given by delivering the same in writing to the City at its address set forth above. Any notice or other communication to be given to the Underwriters under this Purchase Agreement may be given by delivering the same in writing to [\_\_\_\_], Attention: [\_\_\_\_]. All notices or communications hereunder by any party shall be given and served upon each other party. The approval of the Underwriters when required hereunder or the determination of satisfaction as to any document referred to herein shall be in writing signed by the Underwriters and delivered to the party requesting such approval or determination of satisfaction.

**13. Benefits Limited to Parties.** This Agreement is made solely for the benefit of the City, the Authority and the Underwriters and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the City or the Authority in this Agreement and other related documents presented at or prior to Closing Date shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriters and shall survive the delivery of and payment for the Certificates.

**14. Execution in Counterparts.** This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

15. **Governing Law.** This Agreement shall be governed by the laws of the State of California.

Very truly yours,

**DE LA ROSA & CO.**

By: \_\_\_\_\_  
Managing Director

**WEDBUSH MORGAN SECURITIES, INC.**

By: \_\_\_\_\_  
Managing Director

Accepted:

**CITY OF PASADENA**

By: \_\_\_\_\_  
Acting Director of Finance

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Michele Beal Bagneris  
City Attorney

**PASADENA PUBLIC  
FINANCING AUTHORITY**

By: \_\_\_\_\_  
Treasurer

**APPENDIX A**

**SCHEDULE OF MATURITIES, INTEREST  
RATES AND YIELDS**

<b>Maturity Date (February 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>
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**APPENDIX B**

**RULE 15c2-12 CERTIFICATE**

I, Steven B. Mermell, hereby certify that I am the Acting Director of Finance of the City of Pasadena, California (the "City"), and as such I am authorized to execute this certificate on behalf of the City.

I hereby further certify that there has been delivered to De La Rosa & Co. and Wedbush Morgan Securities, Inc. (collectively, the "Underwriters"), as the Underwriters of \$\_\_\_\_\_\* aggregate principal amount City of Pasadena Refunding Certificates of Participation, Series 2008C (the "Certificates"), a preliminary official statement relating to the Certificates dated \_\_\_\_\_, 2008 (including the cover page, the introduction, and all appendices thereto, the "Preliminary Official Statement"), which the City deems to be final as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12"), except for information permitted to be omitted therefrom under Rule 15c2-12.

The City hereby approves of the use and distribution by the Underwriters of the Official Statement.

IN WITNESS WHEREOF, I hereunto set my hand this \_\_\_\_ day of \_\_\_\_\_, 2008.

CITY OF PASADENA

By: \_\_\_\_\_  
Acting Director of Finance

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\* Preliminary, subject to change.

## APPENDIX C

### TERMINATION EVENTS

The following events are each defined as Termination Events for all purposes of Section 8(c) of this Agreement:

- (a) the marketability of the Certificates or the market price thereof, in the reasonable opinion of the Underwriters, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State of California, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for the staff of either such Committee, or by the staff of the Joint Committee on taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or state court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or state authority affecting the federal or state tax status of the City, or the interest on bonds or notes (including the Certificates);
- (b) there shall exist any event which in the reasonable opinion of the Underwriters either (i) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement or (ii) is not reflected in the Official Statement but should be reflected therein to make the statements and information contained therein not misleading in any material respect (for the purposes of this paragraph the Preliminary Official Statement shall be deemed to be the Official Statement until such time as the final Official Statement has been printed);
- (c) there shall have occurred any new outbreak or escalation of hostilities or other national or international calamity or crisis, the effect of such outbreak, calamity or crisis on the financial markets of the United States being such as would make it impracticable, in the reasonable opinion of the Underwriters, for the Underwriters to sell the Certificates;
- (d) there shall be in force a general suspension of trading on the New York Stock Exchange or other national securities exchange, or minimum or

maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange or such other exchange, whether by virtue of a determination by the New York Stock Exchange or such other exchange or by orders of the Securities and Exchange Commission or any other governmental authority;

- (e) a general banking moratorium shall have been declared by either federal, California or New York authorities having jurisdiction and be in force;
- (f) there shall be established any new restrictions on transactions in securities materially affecting the free market for securities (including the imposition of any limitations on interest rates) or the extension of credit by, or the charge to the net capital requirements of, underwriters established by the New York Stock Exchange, the Securities and Exchange Commission, any other federal or state agency or the Congress of the United States, or by Executive Order;
- (g) an adverse event occurs in the affairs of the Trustee or the City which, in the opinion of the Underwriters, requires or has required a supplement or amendment to the Official Statement; or
- (h) the Comptroller of the Currency renders an opinion or issues a regulation which has the effect of prohibiting the Underwriters from underwriting the Certificates.