

§ _____
City of Pasadena
Variable Rate Demand Refunding
Certificates of Participation
Series 2008A
Evidencing and Representing Undivided Proportionate
Interests in Base Rental Payments to Be Made by the
CITY OF PASADENA
to the
PASADENA PUBLIC FINANCING AUTHORITY

REMARKETING AGREEMENT

This Remarketing Agreement is made and entered into as of April 1, 2008 (this "Remarketing Agreement"), by and between the City of Pasadena, California (the "City"), and Banc of America Securities LLC (the "Remarketing Agent"), whereby the Remarketing Agent will act as exclusive sales agent with respect to the subsequent placement, if required, of the captioned Certificates of Participation (the "Certificates") executed and delivered in the aggregate principal amount of \$_____ pursuant to an Amended and Restated Trust Agreement, dated as of January 1, 2003, and as amended and supplemented, including by the Third Supplemental Trust Agreement, dated as of April 1, 2008 (collectively, the "Trust Agreement"), by and among the City, the Pasadena Public Financing Authority (the "Authority") and The Bank of New York Trust Company, N.A., as trustee (the "Trustee"). In connection with the execution and delivery of the Certificates, the City has entered into a Reimbursement Agreement, dated as of April 1, 2008 (the "Reimbursement Agreement"), with Bank of America, N.A. (the "Bank"), under which the Bank will issue an irrevocable direct-pay letter of credit (the "Letter of Credit") to support the payment of the principal and interest represented by the Certificates and to purchase Certificates ("Bank Certificates") in certain circumstances. The Certificates were sold pursuant to a Certificate Purchase Agreement, dated April __, 2008 (the "Purchase Agreement"), by and among Banc of America Securities LLC, as Underwriter, the City and the Authority.

WITNESSETH:

SECTION 1. Definitions. Unless a different meaning clearly appears from the context, the capitalized words and terms used herein shall have the meanings set forth in the Trust Agreement.

SECTION 2. Appointment of Remarketing Agent. Subject to the terms and conditions contained herein and in the Trust Agreement, the City hereby appoints Banc of America Securities LLC as Remarketing Agent and the Remarketing Agent hereby accepts such appointment herein and under the Trust Agreement as exclusive Remarketing Agent, subject to Section 4 herein, in connection with the remarketing of the Certificates from time to time in the secondary market subsequent to the initial offering, execution and sale of the Certificates.

SECTION 3. Interest Rate Periods; Remarketing of Certificates; Principal Office.
(a) In accordance with the Trust Agreement, the Remarketing Agent's responsibilities hereunder for each remarketing of the Certificates shall include (i) determining and announcing the interest rates applicable to each series of the Certificates, (ii) using its best efforts to remarket the Certificates (including, without limitation, Bank Certificates) at a price of 100% of the principal amount thereof plus accrued interest, if

any, which have been tendered or deemed tendered by the holders thereof pursuant to the Trust Agreement and to perform the other obligations of the Remarketing Agent as set forth in the Trust Agreement; provided, that the Remarketing Agent shall use its best efforts to solicit offers to purchase Bank Certificates, if any, before other Certificates tendered or deemed tendered, and if less than all Bank Certificates are remarketed on any date, the Bank Certificates having the highest aggregate amount of interest payable shall be remarketed first, and (iii) performing such other related functions and complying with the provisions as are set forth in the Trust Agreement relating to the Remarketing Agent.

(b) The Remarketing Agent shall keep such books and records as shall be consistent with prudent industry practice and shall make such books and records available for inspection by the City, the Trustee, the Tender Agent and the Bank at all reasonable times.

(c) The Remarketing Agent hereby designates its principal office as the address set forth in the Trust Agreement.

(d) The Remarketing Agent shall take all actions and do all things as Remarketing Agent required or permitted to be taken and done under the terms of this Remarketing Agreement and the Trust Agreement.

SECTION 4. Exclusive Agent; Resignation and Removal of Remarketing Agent; Successor Agent. Unless this Remarketing Agreement has been previously terminated pursuant to the terms hereof, the Remarketing Agent shall act as exclusive Remarketing Agent with respect to the Certificates on the terms and conditions herein contained at all times. Subject to the provision in the following paragraph, the Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Remarketing Agreement by giving at least thirty (30) days' prior written notice to the City, the Bank and the Trustee. The Remarketing Agent may be removed at any time by the City upon thirty (30) days' notice to the Remarketing Agent by an instrument, signed by the City and filed with the Remarketing Agent, the Bank and the Trustee.

In the event the Remarketing Agent shall resign or be removed, or be dissolved, or if its property or affairs shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, such Remarketing Agent shall immediately pay over, assign and deliver any moneys and Certificates held by it in such capacity to that successor remarketing agent to be appointed by the City meeting the requirements set forth in the Trust Agreement and the Reimbursement Agreement.

If the Remarketing Agent consolidates with, merges or converts into, or transfers all or substantially all its assets to, another corporation, the resulting, surviving or transferee corporation without any further act shall be the successor Remarketing Agent hereunder, provided that such corporation shall otherwise be eligible to serve in such capacity under the Trust Agreement.

Unless the City shall be in default hereunder or under any of the Financing Documents (as hereinafter defined), no resignation or removal of the Remarketing Agent shall be effective until a successor shall have been appointed and shall have accepted its duties; provided, however, that the City shall be obligated to use its best efforts to timely appoint a successor Remarketing Agent.

SECTION 5. Furnishing of Offering Materials. (a) The City has furnished the Remarketing Agent with sufficient copies of the Official Statement, dated April __, 2008, with respect to the Certificates (together with any documents incorporated therein and any other disclosure documents or information provided pursuant to this Agreement as it shall be amended or supplemented from time to time) for the Remarketing Agent to comply with applicable securities laws and will furnish such other

information and materials with respect to the City and the Certificates as the Remarketing Agent shall reasonably request from time to time in connection with the remarketing of the Certificates. Any additional copies of the Official Statement requested by the Remarketing Agent will be provided at the expense of the Remarketing Agent.

(b) The City agrees to immediately notify the Remarketing Agent if (i) any event shall have occurred, to the actual knowledge of the City, as a result of which the Official Statement, including as then amended or supplemented, would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and (ii) there is any material adverse change that may affect the remarketing of the Certificates or any fact or circumstances which constitute, or with the passage of time would constitute, an event of default under the Financing Documents (as hereinafter defined).

(c) The City will cooperate with the Remarketing Agent in the preparation, at the City's expense, of any additional marketing and disclosure materials that the Remarketing Agent reasonably determines are necessary or required in connection with the reoffering and sale of the Certificates or which the Remarketing Agent reasonably determines should be provided to owners or prospective purchasers of the Certificates.

SECTION 6. Term and Termination of Remarketing Agreement. This Remarketing Agreement shall become effective upon execution by the Remarketing Agent and the City and shall continue in full force and effect until the earlier of the conversion date on which all Outstanding Certificates are converted to the Fixed Rate Mode (as described in the Trust Agreement) or the payment in full of the Certificates (including, without limitation, Bank Certificates) in accordance with the Trust Agreement, subject to the right of the Remarketing Agent or the City to terminate this Remarketing Agreement, as provided herein.

SECTION 7. Representations Warranties, Covenants and Agreements of the City. The City represents, warrants, covenants and agrees with the Remarketing Agent as follows:

(a) It is a municipal corporation and charter city duly organized and validly existing pursuant to the Constitution and the laws of the State of California.

(b) It has full power and authority to take all actions required or permitted to be taken by it by or under and to perform and observe the covenants and agreements on its part contained in this Remarketing Agreement, the Purchase Agreement, the Reimbursement Agreement, the Sublease, the Lease and the Trust Agreement (collectively, the "Financing Documents").

(c) It has, on or before the date hereof, duly taken all actions necessary to be taken by it prior to such date for: (i) the execution, delivery and performance of the Financing Documents, and (ii) the carrying out, giving effect to, consummation and performance of the transactions and obligations contemplated hereby and by the Official Statement.

(d) The Financing Documents, when executed and delivered by the parties thereto, will constitute valid and binding obligations, enforceable against the City in accordance with their respective terms, except as the binding effect and enforceability thereof may be limited by moratorium, bankruptcy, insolvency or other applicable laws in effect from time to time affecting the rights of creditors generally and except to the extent that the enforceability thereof may be limited by the application of general principles of equity, judicial discretion and the limitation on legal remedies against public entities in California.

(e) The execution and delivery of the Financing Documents which have been or will be executed in connection with the consummation of the transactions contemplated hereby and by the Official Statement, the compliance with the terms, conditions or provisions thereof, and the consummation of the transactions therein contemplated, do not and will not, to the knowledge of the undersigned officer, violate any material law, regulation, order, writ, injunction or decree of any court or governmental body applicable to it or result in a material breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any mortgage, lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the City pursuant to any mortgage, resolution, agreement or instrument to which the City is a party or by which it or any of its properties is bound other than those provided for in or contemplated by the Financing Documents.

(f) All authorizations, consents and approvals of, notices to, registrations or filings with, or actions in respect of any governmental body, agency or other instrumentality or court required in connection with the execution, delivery and performance by the City of the Financing Documents have been obtained, given or taken and are in full force and effect; provided, however, the City makes no representation with respect to compliance with any blue sky or state or federal securities laws.

(g) Except as described in the Official Statement, to the knowledge of the undersigned officer, there is no action, suit, proceeding, inquiry or investigation before or by any court, public board or body pending or threatened against or affecting the City wherein an unfavorable decision, ruling or finding is likely to have a material adverse effect on the financial condition or solvency of the City, or to affect the validity or enforceability of the Financing Documents, or the City's ability to perform its obligations under the Financing Documents.

(h) At no expense to the City, it will cooperate with the Remarketing Agent in the qualification of the Certificates for offering and sale and the determination of the eligibility of the Certificates for investment under the laws of such jurisdictions as the Remarketing Agent shall designate and will use its best efforts to continue any such qualification in effect so long as required for the distribution of the Certificates by the Remarketing Agent, provided that the City shall not be required to qualify to do business in any jurisdiction where it is not now qualified or subject itself to service of process in any jurisdiction in which it is not now so subject.

(i) The information contained in the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. No representation is made in this paragraph, however, with respect to any information in the Official Statement with respect to DTC, the Bank, the Underwriter for the Certificates (as defined in the Official Statement) or the Remarketing Agent or information provided by them specifically for inclusion in the Official Statement.

SECTION 8. Representations, Warranties, Covenants and Agreements of the Remarketing Agent. The Remarketing Agent, by its acceptance hereof, represents, warrants and covenants to and with the City as follows:

(a) that it satisfies the requirements as the "Remarketing Agent" set forth in the Trust Agreement and is authorized by law to perform all the duties imposed upon it by the Trust Agreement and this Remarketing Agreement and that it is a member of the Financial Industry Regulatory Authority.

(b) that the execution and delivery of this Remarketing Agreement and the consummation of the transactions contemplated herein and in the Trust Agreement will not conflict with or constitute on the part of the Remarketing Agent a breach of or a default under its charter documents, its By-Laws, or any statute, indenture, mortgage, deed of trust, leasehold, note agreement or other agreement

or instrument to which the Remarketing Agent is a party or by which it or its properties are bound, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Remarketing Agent or any of its activities or properties.

(c) that this Remarketing Agreement has been duly authorized, executed and delivered by the Remarketing Agent and constitutes the legal, valid and binding obligation of the Remarketing Agent enforceable in accordance with its terms, except as enforcement may be limited by moratorium, bankruptcy, insolvency or other laws affecting the rights of creditors generally and except to the extent that the enforceability hereof may be limited by the application of general principles of equity.

SECTION 9. Conditions to Remarketing Agent's Obligations. The obligations of the Remarketing Agent under this Remarketing Agreement have been undertaken in reliance on, and shall be subject to, the due performance by the City of its obligations and agreements to be performed hereunder and to the accuracy of and compliance with the representations, warranties, covenants and agreements contained herein, on and as of each date on which Certificates are to be offered and sold pursuant to this Remarketing Agreement. The obligations of the Remarketing Agent hereunder with respect to each date on which Certificates are to be offered and sold pursuant to this Remarketing Agreement are also subject, in the discretion of the Remarketing Agent, to the following further conditions:

(a) Each of the Financing Documents shall be in full force and effect and shall not have been amended, modified or supplemented in any way which would materially and adversely affect the duties of the Remarketing Agent, except as may have been agreed to in writing by the Remarketing Agent, and there shall be in full force and effect such additional resolutions, agreements, certificates (including such certificates as may be required by regulations of the Internal Revenue Service or Special Counsel in order to establish the tax-exempt character of interest with respect to the Certificates) and opinions as shall be necessary to effect a secondary remarketing of the Certificates in the manner contemplated by this Remarketing Agreement, which resolutions, agreements, certificates and opinions shall be satisfactory in form and substance to the Remarketing Agent;

(b) The Letter of Credit shall be in full force and effect;

(c) The rating assigned to the Certificates shall not be reduced below "A-1+" by Standard & Poor's and F1+ by Fitch Ratings;

(d) No "Event of Default" (as such term is defined in the Sublease) shall have occurred and be continuing and no event shall have occurred and be continuing which, with the passage of time or giving of notice or both, would constitute such an "Event of Default";

(e) At or prior to the Closing Date (as defined in the Purchase Agreement), the Remarketing Agent shall have received all documents required by, and delivered pursuant to, the Purchase Agreement;

(f) The availability of current information on the City in the form of a revised Official Statement or such other documents or information as shall be reasonably requested by the Remarketing Agent;

(g) In the event that the Certificates shall be or become subject to registration under the Securities Act of 1933, as amended, there shall be in full force and effect all such registration statements, offering materials, opinions and other filings or documents as may be necessary in the

reasonable opinion of the Remarketing Agent to remarket the Certificates in the manner contemplated by this Remarketing Agreement;

(h) The Remarketing Agent may suspend its obligations under this Remarketing Agreement at any time by notifying the City in writing or by telegram, telex, telecopy, or other electronic communication of its election so to do, if:

(i) legislation is enacted by the State of California or the United States or favorably reported to either the United States House of Representatives or the United States Senate or a decision by the United States Tax Court is rendered, or a ruling or regulation (final, temporary or proposed) is made by or on behalf of the Treasury Department of the United States or the Internal Revenue Service, or a release or official statement is issued by the President, the Treasury Department or the Internal Revenue Service of the United States, affecting the federal or California tax status of the City, its property or income, or the interest on its outstanding obligations, bonds or notes (including the Certificates);

(ii) legislation is favorably reported by committee, by amendment or otherwise, in, or is enacted by, the House of Representatives or the Senate of the Congress of the United States, or a decision by a court of the United States is rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the United States Securities and Exchange Commission or other federal governmental agency is made or proposed, to the effect that the offering or sale of obligations of the general character of the Certificates, as contemplated hereby, is or would be in violation of any provision of the Securities Act of 1933, as amended and as then in effect (the "Securities Act"), or the Trust Indenture Act of 1939, as amended, or with the purpose or effect of otherwise prohibiting the offering or sale of obligations of the general character of the Certificates, or the Certificates as contemplated hereby; provided, however, that in the case of legislation favorably reported by committee, by amendment or otherwise, in the House of Representatives or the Senate of the Congress of the United States but not yet enacted, or in the case of a stop order, ruling, regulation or official statement of the United States Securities and Exchange Commission or other federal governmental agency proposed but not yet adopted or promulgated, such event shall only give rise to a right in the Remarketing Agent to suspend its obligations under this Remarketing Agreement if, in the opinion of counsel to the Remarketing Agent, such counsel being acceptable to the City, which acceptance shall not be unreasonably withheld, the introduced legislation or proposed stop order, ruling, regulation or official statement, if enacted, adopted or promulgated in its then current form, would apply retroactively to the date as of which the Remarketing Agent seeks to suspend its obligations hereunder;

(iii) any information becomes known or an event occurs which, in the Remarketing Agent's reasonable opinion, makes untrue, incorrect or misleading in any material respect any statement or information contained in the Official Statement, as the information contained therein has been supplemented or amended by other information, as of the date furnished to the Remarketing Agent or supplemented in accordance with Section 5 hereof, or causes the Official Statement, as so supplemented or amended, to contain an untrue, incorrect or misleading statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(iv) except as provided in clauses (i) and (ii) of this subparagraph, any legislation, resolution, ordinance, rule or regulation is introduced in or is enacted by any governmental body, department or agency of the United States, the State of New York, or the State of California, or a decision by any court of competent jurisdiction within the United States, the State of New York, or the State of California is rendered which, in the opinion of counsel to the Remarketing Agent, such counsel

being acceptable to the City, which acceptance shall not be unreasonably withheld, precludes the remarketing of the Certificates;

(v) additional material restrictions not in force as of the date hereof are imposed upon trading in securities generally by any governmental authority or by any national securities exchange which, in the opinion of counsel to the Remarketing Agent, such counsel being acceptable to the City, which acceptance shall not be unreasonably withheld, preclude the remarketing of the Certificates;

(vi) Any governmental authority imposes, as to the Certificates, or obligations of the general character of the Certificates, any material restrictions not now in force, or materially increases those now in force, which, in the opinion of counsel to, the Remarketing Agent, such counsel being acceptable to the City, which acceptance shall not be unreasonably withheld, preclude the remarketing of the Certificates;

(vii) A general banking moratorium is established by federal, New York or California authorities which precludes the remarketing of the Certificates; or

(viii) the United States engages in hostilities, the effect of which in the Remarketing Agent's judgment makes it impracticable or impossible to proceed with the solicitation of offers to purchase the Certificates.

(i) Unless otherwise notified by the Bank, the Remarketing Agent shall suspend its remarketing efforts upon receipt of notice of the occurrence of any "Event of Default" under the Sublease.

SECTION 10. Payment of Fees and Expense. The City agrees to pay to the Remarketing Agent a fee from Additional Payments (as provided in the Sublease) computed as ____% per annum of the average daily outstanding principal amount of the Certificates during any quarter, payable in quarterly installments in arrears; such payments shall be billed in March, June, September and December, commencing on _____, 2008; provided, however, that such fee to be paid to the Remarketing Agent shall not be less than \$1,250 in any quarter and shall be prorated as applicable. In the event that the Certificates are converted to the Fixed Rate Mode, the fee and the procedure for payment will be an amount as shall be agreed to by the City and the Remarketing Agent. The Remarketing Agent will not be entitled to compensation for any period during which its obligations are suspended and after this Remarketing Agreement shall be terminated except for a pro rata portion of the fee in respect of the quarter in which such termination occurs.

SECTION 11. Dealing in Certificates by the Remarketing Agent. The Remarketing Agent, in its individual capacity, may, in good faith, buy, sell, own, hold and deal in any of the Certificates offered and sold by it pursuant to this Remarketing Agreement, and may join in any action which any Certificateholder may be entitled to take with like effect as if it did not act in any capacity hereunder. The Remarketing Agent, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the City, and may act as depository, trustee, or agent for any committee or body of owners of Certificates secured hereby or other obligations of the City as freely as if it did not act in any capacity hereunder.

SECTION 12. Intention of Parties. It is the express intention of the parties hereto that any purchase, sale or transfer of any Certificates, as herein provided, shall not constitute or be construed to be the extinguishment of any Certificates or the indebtedness represented thereby or the redelivery of any Certificates.

SECTION 13. Indemnification and Contribution.

(a) **City Indemnification of the Remarketing Agent.** The City shall, to the extent permitted by law, indemnify and hold harmless the Remarketing Agent, each of its directors, officers and employees and each person who controls the Remarketing Agent within the meaning of Section 15 of the Securities Act (any such person being herein sometimes called an "Indemnified Party"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise, and shall reimburse any such Indemnified Party for any reasonable legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, but only to the extent that such losses, claims, damages, liabilities or actions arise out of or are based upon (i) an allegation or determination that the Certificates, or the obligations of the City under the Trust Agreement or the Sublease, should have been registered under the Securities Act or the Securities Exchange Act of 1934, as amended, or the Trust Agreement should have been qualified under the Trust Indenture Act of 1939, as amended, or (ii) any untrue statement or alleged untrue statement of a material fact contained in the Official Statement or any amendment thereof or supplement thereto, or the omission or alleged omission to state therein a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that the City shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact necessary to make the statements in the Official Statement, in light of the circumstances under which they were made, not misleading, or any amendment thereof or supplement thereto, made in reliance on and in conformity with written information provided by the Remarketing Agent specifically for use therein the Bank or DTC. Except as specifically limited above, this indemnity provision shall not be construed as a limitation on any other liability which the City may otherwise have to any Indemnified Party; provided that in no event shall the City be obligated for double indemnification.

Notwithstanding the foregoing, in no event shall Indemnified Party be entitled to indemnification pursuant to this Section 13 for any action resulting from the Remarketing Agent's negligence or misconduct.

(b) **Indemnification Procedure.** An Indemnified Party (as defined in paragraph (a) of this Section) shall, promptly after the receipt of notice of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against the City, notify the Indemnifying Party in writing of the commencement thereof. Failure to give such notice shall not relieve the Indemnifying Party from any liability it may have to the Indemnified Party. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify the Indemnifying Party of the commencement thereof, the Indemnifying Party may, or if so requested by such Indemnified Party shall, participate therein or assume the defense thereof, with counsel reasonably satisfactory to such Indemnified Party, and after notice from the Indemnifying Party to such Indemnified Party of an election so to assume the defense thereof, such Indemnified Party shall reasonably cooperate in the defense thereof, including, without limitation the settlement of outstanding claims, and the Indemnifying Party will not be liable to such Indemnified Party under this Section for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation incurred with the consent of the Indemnifying Party, which consent shall not be unreasonably withheld; provided, however, that unless and until the Indemnifying Party assumes the defense of any such action at the request of such Indemnified Party, the Indemnified Party shall have the right to participate at its own expense in the defense of any action. If the Indemnifying Party shall not have employed counsel to take charge of the defense of any such action or if any Indemnified Party shall have reasonably concluded that there may be defenses available to it or them which are different from or additional to those available to the Indemnifying Party (in which case the Indemnifying Party shall not

have the right to direct the defense of such action on behalf of such Indemnified Party), reasonable legal and other expenses incurred by such Indemnified Party shall be borne by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party shall not be liable for any settlement of any action or claim initiated without its consent.

(c) **Contribution.** In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in paragraph (a) of this Section 13 is due in accordance with its terms but is for any reason held by a court to be unavailable from the City on grounds of policy or otherwise, the City and the Remarketing Agent shall, to the extent permitted by law, contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) to which the City and the Remarketing Agent may be subject in such proportion so that the Remarketing Agent is responsible for that portion represented by the percentage that the Remarketing Agent's fee paid pursuant to Section 10 hereof with respect to such remarketing bears to the aggregate principal amount of such Certificates being remarketed and the City is responsible for the balance; provided, however, that no person guilty of fraudulent misrepresentation within the meaning of Section 11(f) of the Securities Act shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation within the meaning of Section 11(f) of the Securities Act. For purposes of this Section 13, each person who controls the Remarketing Agent within the meaning of Section 15 of the Act shall have the same rights as the Remarketing Agent. Any party entitled to contribution shall, promptly after receipt of notice of commencement of any action, suit or proceeding in respect of which a claim for contribution may be made against another party or parties under this paragraph (c), notify such party or parties from whom contribution may be sought, but the omission so to notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any other obligation it or they may have hereunder or otherwise than under this paragraph (c).

SECTION 14. Miscellaneous. (a) Except as otherwise specifically provided in this Remarketing Agreement, all notices, demands and formal actions under this Remarketing Agreement shall be in writing and mailed, telegraphed or delivered to the Remarketing Agent, the City, the Bank and the Trustee at their respective addresses set forth in the Trust Agreement. The Remarketing Agent, the City, the Bank and the Trustee may, by notice given under this Remarketing Agreement, designate other addresses to which subsequent notices, requests, reports or other communications shall be directed.

In addition, the Remarketing Agent shall provide periodic reportings of trading activity, the rate of interest and tenders with respect to the Certificates to the City as the City reasonably requests.

(b) This Remarketing Agreement will inure to the benefit of and be binding upon the Remarketing Agent and the City and their respective successors and assigns. The terms "successors" and "assigns" shall not include any purchaser of any of the Certificates solely because of such purchase. The Bank shall be deemed a third party beneficiary hereof.

(c) This Remarketing Agreement and each provision hereof may be amended, changed, waived, discharged or terminated only by an instrument in writing signed by the parties hereto with the written consent of the Bank (with a copy of any such amendment sent by mail to the parties at the addresses referenced in paragraph (a) hereof).

(d) Section headings have been inserted in this Remarketing Agreement only as a matter of convenience of reference, and it is agreed that such section headings are not a part of this Remarketing Agreement and will not be used in the interpretation of any provisions of this Remarketing Agreement.

(e) If any provision of this Remarketing Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions, because it conflicts with any provisions of any constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Remarketing Agent invalid, inoperative or unenforceable to any extent whatever.

(f) This Remarketing Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

(g) The Remarketing Agent agrees that, with the cooperation of the City, it will, at least 120 days prior to the expiration of the then existing Letter of Credit, commence reasonable actions to assist the City in obtaining an extension of the existing Letter of Credit or a new Letter of Credit prior to the expiration of the existing Letter of Credit. The Remarketing Agent shall be paid a reasonable fee for its efforts and shall receive reimbursement of its reasonable expenses (at cost) incurred in connection therewith.

(h) This Remarketing Agreement shall be interpreted and construed under the provisions of the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have caused this Remarketing Agreement to be duly executed as of the day and year first written above.

BANC OF AMERICA SECURITIES LLC

By _____
Title: Principal

THE CITY OF PASADENA

By _____
Title: Director of Finance

APPROVED AS TO FORM:

By: _____
Michelle Beal Bagneris
City Attorney

NEW ISSUE - BOOK-ENTRY ONLYRating: _____ "____"
(See "Ratings" herein)

In the opinion of Sidley Austin LLP, Special Counsel, based on existing statutes, regulations, rulings and judicial decisions and, assuming compliance with certain covenants in the documents pertaining to the 2008A Certificates and requirements of the Internal Revenue Code of 1986, as amended, as described herein, the portion of each Base Rental Payment due under the Sublease designated as and comprising interest with respect to the 2008A Certificates is not includable in the gross income of the owners of the 2008A Certificates for federal income tax purposes. In the further opinion of Special Counsel, the portion of each Base Rental Payment due under the Sublease designated as and comprising interest with respect to the 2008A Certificates is not treated as an item of tax preference in calculating the federal alternative minimum taxable income of individuals and corporations. Such portion of each Base Rental Payment, however, is included as an adjustment in the calculation of federal corporate alternative minimum taxable income and may therefore affect a corporation's alternative minimum tax liability. In the further opinion of Special Counsel, the portion of each Base Rental Payment due under the Sublease designated as and comprising interest with respect to the 2008A Certificates is exempt from personal income taxes imposed by the State of California. See "TAX MATTERS" herein.

\$ _____

**Variable Rate Demand Refunding Certificates of Participation, Series 2008A
Evidencing and Representing Proportionate,
Undivided Interests in the Owners
Thereof in Base Rental Payments to be Made by the
CITY OF PASADENA, CALIFORNIA**

Dated: Delivery Date

Price: 100%

CUSIP: _____†

Due: _____ 1, 20__

The Refunding Certificates of Participation, Series 2008A (the "2008A Certificates") are being delivered pursuant to the Amended and Restated Trust Agreement, dated as of January 1, 2003 (as amended and supplemented, the "Trust Agreement"), among the City of Pasadena (the "City"), the Pasadena Public Financing Authority (the "Authority") and The Bank of New York Trust Company, N.A., as trustee (the "Trustee"). The 2008A Certificates will initially represent interest at a Weekly Rate as determined by the Remarketing Agent. Interest with respect to the 2008A Certificates shall be payable on the first Business Day of each month, commencing _____ 1, 2008.

Financing Purpose. The 2008A Certificates are being delivered (i) to refund the City's Certificates of Participation (Conference Center Project), Series 2006B (the "Prior Certificates") on a current basis, (ii) fund capitalized interest with respect to the 2008A Certificates, [(iii) to fund (if necessary) a reserve fund with respect to the 2008A Certificates,] and (iv) to pay costs of issuance for the 2008A Certificates.

Legal Structure for the 2008A Certificates. The 2008A Certificates represent proportionate, undivided interests in base rental payments (the "Base Rental Payments") to be made by the City under the Amended and Restated Sublease, dated as of January 1, 2003 (as amended and supplemented, the "Sublease"), between the Authority and the City, for the lease of certain real property and improvements (the "Leased Property"). The Trust Agreement and the Sublease provide for the delivery of certificates of participation in the Base Rental Payments from time to time (all such certificates of participation, the "Certificates") as well as interest rate swap agreements, liquidity facilities and credit enhancement relating to Certificates which are payable from the Base Rental Payments.

Under the Sublease, Base Rental Payments are payable from any legally available funds of the City in amounts sufficient to pay the principal and interest with respect to the Certificates, amounts due under liquidity facilities, credit enhancement and interest swap agreements relating to Certificates. The Base Rental Payments are subject to abatement under certain circumstances when there is substantial interference with the use and occupancy by the City of the Leased Property or any portion thereof. See "SOURCE OF PAYMENT FOR THE 2008A CERTIFICATES-Rental Abatement" herein.

Book-Entry Form. The 2008A Certificates will be delivered in fully registered form only and, when delivered, 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 2008A Certificates. Individual purchases will be made in book-entry form only. The 2008A Certificates will have denominations of \$100,000 or any integral multiple of \$5,000 in excess of \$100,000 while in the Weekly Mode. Purchasers of the 2008A Certificates will not receive physical certificates representing their beneficial ownership interests in the 2008A Certificates purchased. Payments of principal and interest with respect to the 2008A Certificates will be paid by the Trustee to DTC, which is obligated in turn to remit such principal, premium, if any, and interest to its DTC participants for subsequent disbursement to the beneficial owners of the 2008A Certificates as described herein. See "APPENDIX C – BOOK-ENTRY ONLY SYSTEM."

Prepayment and Tender. The 2008A Certificates are subject to optional and mandatory prepayment and optional and mandatory tender, as described herein.

At the election of the City and upon satisfaction of any applicable conditions precedent set forth in the Trust Agreement, the 2008A Certificates may be converted to another interest Mode, as described herein. See "THE 2008A CERTIFICATES-Variable Rate Certificates- Adjustment of the Interest Rate With Respect to the 2008A Certificates" herein. Upon such conversion, the Series 2008A Certificates will be subject to mandatory tender and purchase. See "THE 2008A CERTIFICATES -Optional and Mandatory Tender of 2008A Certificates" herein.

Letter of Credit. Payment of the principal and interest with respect to, and purchase price of, the 2008A Certificates will initially have the benefit of a Direct Pay Letter of Credit dated as of _____, 2008 (the "Letter of Credit") to be delivered by Bank of America, N.A. (the "Bank" or "Letter of Credit Provider") as the initial Liquidity Facility under the Trust Agreement. The initial expiration date of the Letter of Credit is _____, 20__, as extended or earlier terminated prior thereto as described herein. The Letter of Credit and any Alternate Credit Enhancement or Alternate Liquidity Facility are defined under the Trust Agreement as the "Liquidity Facility." See "THE BANK" and "THE LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT."

[BANK LOGO]

ANY INVESTMENT DECISION TO PURCHASE THE 2008A CERTIFICATES SHOULD BE MADE SOLELY ON THE BASIS OF THE CREDITWORTHINESS OF THE BANK.

THIS OFFICIAL STATEMENT DESCRIBES THE 2008A CERTIFICATES ONLY DURING THE PERIOD THE 2008A CERTIFICATES EVIDENCE INTEREST AT THE WEEKLY RATE AND ARE SECURED BY THE LETTER OF CREDIT. INVESTORS SHOULD NOT RELY ON THIS OFFICIAL STATEMENT IF THE INTEREST RATE WITH RESPECT TO THE 2008A CERTIFICATES IS ADJUSTED TO ANY OTHER MODE.

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of the 2008A Certificates. Potential investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used on this cover page not otherwise defined shall have the meanings set forth herein.

The 2008A Certificates are offered when, as and if executed and delivered, subject to approval by Sidley Austin LLP, San Francisco, California, Special Counsel, and subject to certain other conditions. Certain legal matters will be passed upon for the City by the City Attorney and by Sidley Austin LLP, San Francisco, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriter by its Counsel, Fulbright & Jaworski L.L.P., Los Angeles, California. It is expected that the 2008A Certificates will be available for delivery through the facilities of DTC on or about _____, 2008.

Banc of America Securities LLC

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

The information set forth herein has been provided by the City and other sources that are believed by the City to be reliable. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibility to investors under the federal securities law as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expression of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in affairs of the City since the date hereof. This Official Statement, including any supplement or amendment hereto, is intended to be deposited with one or more repositories.

No dealer, broker, salesperson, or any other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering made hereby, and, if given or made, such information or representations must not be relied upon as having been authorized by the City, the Bank, or the Underwriter. This Official Statement does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

THE 2008A CERTIFICATES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT.

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APPENDIX D FORM OF LETTER OF CREDIT

OFFICIAL STATEMENT

\$ _____

**Variable Rate Demand Refunding Certificates of Participation, Series 2008A
Evidencing and Representing Proportionate,
Undivided Interests in the Owners
Thereof in Base Rental Payments to be Made by the
CITY OF PASADENA, CALIFORNIA**

INTRODUCTION

This Introduction is subject in all respects to the more complete information included and referred to elsewhere in this Official Statement, and the offering of the 2008A Certificates to potential investors is made only by means of the entire Official Statement. Capitalized terms used in this Introduction and not otherwise defined shall have the respective meanings assigned to them elsewhere in this Official Statement. See "APPENDIX A – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS" for summaries of various documents referred to herein and definitions of certain words and terms used herein.

General

This Official Statement, including the cover page and the appendices hereto, is provided to furnish certain information in connection with the sale and issuance by the City of Pasadena, California (the "City") of \$ _____ aggregate principal amount of the City's Variable Rate Demand Refunding Certificates of Participation, Series 2008A (the "2008A Certificates"). The 2008A Certificates are being delivered pursuant to the Amended and Restated Trust Agreement, dated as of January 1, 2003 (as amended and supplemented, the "Trust Agreement"), among the City of Pasadena (the "City"), the Pasadena Public Financing Authority (the "Authority") and The Bank of New York Trust Company, N.A., as trustee (the "Trustee"). See "REFUNDING PLAN" and "ESTIMATED SOURCES AND USES OF FUNDS."

Purpose of Financing

The 2008A Certificates are being delivered (i) to refund the City's Certificates of Participation (Conference Center Project), Series 2006B (the "Prior Certificates") on a current basis, (ii) fund capitalized interest with respect to the 2008A Certificates, [(iii) to fund (if necessary) a reserve fund with respect to the 2008A Certificates,] and (iv) to pay costs of issuance for the 2008A Certificates.

The City

The City was incorporated in 1886 and became a freeholder charter city in 1901. The City adopted its city manager form of government by amendments to the City Charter in 1921. The City Council is responsible for the administration of the City. The City covers nearly 23 square miles and is located in the County of Los Angeles (the "County") in the northwestern portion of the San Gabriel Valley. The City is bounded on the west by the cities of Los Angeles, La Cañada and Glendale, on the south by the cities of South Pasadena and San Marino, on the east by the cities of Arcadia and Sierra Madre and on the north by the unincorporated community of Altadena and the San Gabriel Mountains.

The rating on the 2008A Certificates is based upon the Letter of Credit. Accordingly, information on the City, including its finances and operations, is not provided in this Official Statement.

The Trust Agreement and the Certificates

The 2008A Certificates are being delivered pursuant to the Amended and Restated Trust Agreement, dated as of January 1, 2003 (as the same has been and may be amended and supplemented, the "Trust Agreement"), including the Third Supplemental Trust Agreement, dated as of April 1, 2008 (the "Third Supplemental Trust Agreement"), each among the City, the Authority and The Bank of New York Trust Company, N.A., as trustee (the "Trustee"). Pursuant to the Trust Agreement and the Sublease, the Trustee is authorized to deliver certificates of participation from time to time evidencing and representing proportionate, undivided interests in the Base Rental Payments (all such certificates of participation delivered under the Trust Agreement being referred to as the "Certificates").

The Trustee has delivered, and there remain Outstanding, six Series of Certificates, the 1993 Certificates, the 2003 Certificates, the 2004A Certificates and the 2004B Certificates (the 2004A Certificates and the 2004B Certificates being collectively referred to as the "2004 Certificates"), the 2006A Certificates and the 2006B Certificates in the aggregate principal amount of \$_____ (the "Outstanding Certificates") and there are two Swap Agreements in effect. Upon the delivery of the 2008A Certificates, the 2006B Certificates will be defeased and no longer be outstanding. The Trustee may deliver Additional Certificates in the future. See "ADDITIONAL CERTIFICATES."

All Certificates are executed and delivered on a parity with one another. However, the Letter of Credit described herein secures only the 2008A Certificates. See "THE LETTER OF CREDIT AND THE REIMBURSEMENT AGREEMENT."

Base Rental Payments and the Letter of Credit

Under the Sublease, the City is to pay the Base Rental Payments in consideration of the City's right to the use and possession, and the quiet use and enjoyment, of the Leased Property. The City's obligation to make Base Rental Payments is subject to abatement during any period in which, by reason of title defect, material damage or destruction, there is substantial interference with the use and occupancy by the City of the Leased Property or any portion thereof. [See "SOURCE OF PAYMENT FOR THE 2008A CERTIFICATES – Rental Abatement" herein.]

Under the Sublease, Base Rental Payments are to be made in an amount sufficient to pay the principal and interest with respect to all Certificates, including the 2008A Certificates, and amounts due under Liquidity Facilities, Credit Enhancements, and Swap Agreements. Base Rental Payments do not include amounts to pay the purchase price of any Certificate. None of the Base Rental Payments or any of such other payments are secured by a pledge of amounts in the General Fund or any other revenues or funds of the City. The City has covenanted to include the Base Rental Payments due in each fiscal year in the City operating budget for such fiscal year. [See "SOURCE OF PAYMENT FOR THE 2008A CERTIFICATES – Covenant to Budget and Appropriate."]

THE FULL FAITH AND CREDIT OF THE CITY IS NOT PLEDGED FOR THE PAYMENT OF THE BASE RENTAL PAYMENTS AND SUCH PAYMENT IS NOT SECURED

BY A PLEDGE OF ANY REVENUES OR FUNDS OF THE CITY. THE OBLIGATION OF THE CITY TO MAKE BASE RENTAL PAYMENTS DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NEITHER THE 2008A CERTIFICATES NOR THE OBLIGATION OF THE CITY TO MAKE BASE RENTAL PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE CITY, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

The rating on the 2008A Certificates is based upon a Direct Pay Letter of Credit dated as of _____, 2008 (the "**Letter of Credit**") to be delivered by Bank of America, N.A. (the "**Bank**" or "**Letter of Credit Provider**"), for the benefit of the Trustee, as the initial Liquidity Facility under the Trust Agreement. Accordingly, information on the finances and operations of the City is not provided in this Official Statement.

Payment of the principal and interest with respect to, and, to the extent that remarketing proceeds are insufficient therefor, the purchase price of, the 2008A Certificates will be made from proceeds of draws on the Letter of Credit. The initial scheduled expiration date of the Letter of Credit is _____, 20__ (the "**Expiration Date**"), as extended or earlier terminated prior thereto as described herein. The Letter of Credit and any Alternate Liquidity Facility are defined under the Trust Agreement as the "**Liquidity Facility**." The Letter of Credit is being delivered under the terms of a Reimbursement Agreement, dated as of _____, 2008 (the "**Reimbursement Agreement**") between the Bank and the City. See "THE BANK" and "THE LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT."

ANY INVESTMENT DECISION TO PURCHASE THE 2008A CERTIFICATES SHOULD BE MADE SOLELY ON THE BASIS OF THE CREDITWORTHINESS OF THE BANK.

Weekly Mode Variable Rate Certificates

Under the Trust Agreement, the 2008A Certificates are multi-modal certificates that are authorized to be delivered in the Weekly Mode, Daily Mode, Flexible Mode, Term Rate Mode, Fixed Rate Mode and Auction Rate Mode (as those terms are defined in the Trust Agreement.) Initially, the 2008A Certificates will be delivered in the Weekly Mode. See "THE 2008A CERTIFICATES."

THIS OFFICIAL STATEMENT DESCRIBES THE 2008A CERTIFICATES ONLY DURING THE PERIOD THE 2008A CERTIFICATES EVIDENCE INTEREST AT THE WEEKLY RATE AND ARE SECURED BY THE LETTER OF CREDIT. INVESTORS SHOULD NOT RELY ON THIS OFFICIAL STATEMENT IF THE INTEREST RATE WITH RESPECT TO THE 2008A CERTIFICATES IS ADJUSTED TO ANY OTHER MODE.

References to Documents

The brief descriptions of the City, the 2008A Certificates, the Trust Agreement, the Lease, the Sublease, the Letter of Credit, the Reimbursement Agreement and other documents, statutes, reports, and other instruments included in this Official Statement do not purport to be complete, comprehensive, or definitive. All references to the Trust Agreement, the Lease, Sublease, the Letter of Credit, the Reimbursement Agreement, and other documents, statutes, reports, and other instruments are qualified in their entirety by reference to such document,

statute, report, or instrument, and all references to the 2008A Certificates are qualified in their entirety by reference to the forms of the 2008A Certificates set forth in the Trust Agreement.

During the period of the offering of the 2008A Certificates, copies of the Trust Agreement, the Sublease, the Liquidity Facility and the Reimbursement Agreement may be obtained at the offices of Banc of America Securities LLC, 600 Montgomery Street, 18th Floor, San Francisco, California 94111, and thereafter at the office of the Trustee, 700 South Flower Street, Suite 500, Los Angeles, California 90071.

THE REFUNDING PLAN

A portion of the proceeds of the 2008A Certificates will be used to refund on a current basis the City's Certificates of Participation (Conference Center Project), Series 2006B (the "Prior Certificates") currently outstanding in the amount of \$_____ and will be deposited in a prepayment fund (the "**Prepayment Fund**") to be held by The Bank of New York Trust Company, N.A., under the provisions of the Trust Agreement. Moneys in the Prepayment Fund will be sufficient to pay the principal and interest due and payable with respect to the Prior Certificates on _____, 2008.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds related to the 2008A Certificates, exclusive of accrued interest.

<u>Sources of Funds:</u>	
Par Amount of the 2008A Certificates	\$
Funds held under Series 2006B Certificates Reserve Fund	
TOTAL SOURCES	
<u>Uses of Funds:</u>	
Deposit to Prepayment Fund	\$
Deposit to Capitalized Interest Fund	
Deposit to 2008A Certificate Reserve Fund	
Costs of Issuance ⁽¹⁾	
TOTAL USES	\$

⁽¹⁾ Includes underwriter's discount, fees of the Bank, legal fees, printing costs, fees of the City, the Trustee [and the rating agencies], and other miscellaneous expenses.

THE 2008A CERTIFICATES

Book Entry Only System

The 2008A Certificates will be delivered in fully registered form only and, when initially delivered, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the 2008A Certificates. Purchasers of the 2008A Certificates will not receive physical certificates representing their beneficial ownership interests in the 2008A Certificates purchased. Payments of principal and interest with respect to the 2008A

Certificates will be paid by the Trustee to DTC, which is obligated in turn to remit such principal and interest to its DTC Participants for subsequent disbursement to the beneficial owners of the 2008A Certificates. See "APPENDIX C – BOOK-ENTRY ONLY SYSTEM" herein.

Variable Rate Certificates

General. Under the Trust Agreement, the 2008A Certificates are multi-modal Certificates that are authorized to be delivered in the Weekly Mode, the Daily Mode, the Flexible Mode (all of which are referred to herein as Short-Term Modes), the Term Rate Mode or the Fixed Rate Mode (both of which are referred to herein as Long-Term Modes) as those terms are defined in the Trust Agreement. Initially, the 2008A Certificates will be delivered in the Weekly Mode.

Adjustment of the Interest Rate With Respect to the 2008A Certificates. At the option of the City, the interest rate mode on the Outstanding Certificates may be adjusted to another Short-Term Mode (either a Daily Mode or Flexible Mode), a Long-Term Mode (either a Term Rate Mode or Fixed Rate Mode) the effective date of such adjustment is a "**Mode Change Date**". The Certificates are subject to mandatory tender and purchase on each Mode Change Date, as set forth in the Trust Agreement. See "Optional and Mandatory Tender of 2008A Certificates – Mandatory Tender for Purchase of 2008A Certificates" below.

THIS OFFICIAL STATEMENT DESCRIBES THE 2008A CERTIFICATES ONLY DURING THE PERIOD THE 2008A CERTIFICATES EVIDENCE INTEREST AT THE WEEKLY RATE AND ARE SECURED BY THE LETTER OF CREDIT. INVESTORS SHOULD NOT RELY ON THIS OFFICIAL STATEMENT IF THE INTEREST RATE WITH RESPECT TO THE 2008A CERTIFICATES IS ADJUSTED TO A MODE OTHER THAN A WEEKLY MODE.

General Certificate Terms

Calculation and Payment of Interest. The 2008A Certificates will initially represent interest in the Weekly Mode, and interest will be calculated based on a 365 or 366 day year, as applicable, for the number of days actually elapsed during an Interest Period.

While the 2008A Certificates represent interest in the Weekly Mode, interest with respect to the 2008A Certificates will be payable on the first Business Day of each month, commencing _____ 1, 2008. The 2008A Certificates will continue to represent interest at a Weekly Rate until the conversion thereof to a different Short-Term Mode or a Long-Term Mode. See "Adjustment of the Interest Rate With Respect to the 2008A Certificates" below.

Authorized Denominations. Ownership interests in the 2008A Certificates while in the Weekly Mode will be in denominations of \$100,000 or any integral multiple of \$5,000 in excess of \$100,000.

Weekly Mode

Determination of Weekly Rate. When the 2008A Certificates are in the Weekly Mode, the 2008A Certificates will represent interest at the Weekly Rate, which will be determined by the Remarketing Agent not later than 4:00 p.m. on each _____, or if _____ is not a Business Day, the following Business Day (the "**Rate Determination Date**" with respect to Certificates in the Weekly Mode) for the period commencing on _____ of each week to and including _____ of the following week (each, a "**Weekly Rate Period**").

The Weekly Rate will be the rate determined by the Remarketing Agent (on the basis of examination of obligations comparable to the 2008A Certificates known by the Remarketing Agent to have been priced or traded under then-existing market conditions) to be the minimum interest rate which, if borne by the 2008A Certificates, would enable the Remarketing Agent to sell the 2008A Certificates on such day at a price equal to the principal amount thereof plus accrued interest; provided, however, that if for any reason the Weekly Rate cannot be determined, the Weekly Rate during each subsequent Interest Period shall be the Alternate Rate in effect on the first day of such Interest Period.

The "**Alternate Rate**" is defined in the Trust Agreement as: a rate per annum equal to (1) the SIFMA Municipal Swap Index of Municipal Market Data, formerly the PSA Municipal Swap Index (as such term is defined in the 1992 ISDA U.S. Municipal Counterparty Definitions) (the "SIFMA Rate") most recently available as of the date of determination, or (2) if such index is no longer available, or if the SIFMA Rate is no longer published, the Kenny Index (as such term is defined in the 1992 ISDA U.S. Municipal Counterparty Definitions), or if neither the SIFMA Rate nor the Kenny Index is published, the index determined to equal the prevailing rate determined by the Remarketing Agent for tax-exempt state and local government obligations meeting criteria determined in good faith by the Remarketing Agent to be comparable under the circumstances to the criteria used by the Securities Industry and Financial Markets Association to determine the SIFMA Rate just prior to when the Certificate Market Association stopped publishing the SIFMA Rate. The Trustee shall make the determinations required by this determination, upon notification from the City, if there is no Remarketing Agent, if the Remarketing Agent fails to make any such determination or if the Remarketing Agent has suspended its remarketing efforts in accordance with the Remarketing Agreement.

Change in Mode. At least 30 days prior to any proposed Mode Change Date (or such shorter time as may be agreed to by the City, the Trustee, the Bank and the Remarketing Agent), the City shall give written notice to the Notice Parties of its intention to effect a change in the Mode. Notice of the proposed change in Mode shall be given by the Trustee to the Owners of such 2008A Certificates not less than 15 days before the proposed Mode Change Date. Such notice shall state:

(A) the 2008A Certificates to be converted, the Mode to which the conversion will be made and the Mode Change Date; and

(B) that, except in the case of a change from the Daily Mode to the Weekly Mode or from the Weekly Mode to the Daily Mode, such 2008A Certificates will be subject to mandatory tender for purchase on the Mode Change Date and the Purchase Price of such 2008A Certificates, as described below under "Optional and Mandatory Tender of 2008A Certificates – Mandatory Tender for Purchase of 2008A Certificates."

Upon the satisfaction of certain conditions precedent described in the Trust Agreement, the 2008A Certificates shall be purchased on such Mode Change Date at a purchase price equal to 100% of the principal amount thereof, plus accrued interest, if any (the "**Purchase Price**").

Failure to Satisfy Conditions Precedent to a Mode Change. In the event the conditions precedent to a Mode Change described in the Trust Agreement have not been satisfied by the applicable Mode Change Date, then the New Mode shall not take effect (although any mandatory tender shall be made on such date if notice has been sent to the Owners stating that such 2008A Certificates would be subject to mandatory purchase on such

date). If the failed change in Mode was from the Weekly Mode, such Certificates shall remain in the Weekly Mode, with interest rates established in accordance with the provisions of the Trust Agreement described above under "Determination of Weekly Rate" on and as of the failed Mode Change Date.

Rescission of Election. Notwithstanding anything in the Trust Agreement to the contrary, the City may rescind any election by it to change a Mode prior to the Mode Change Date by giving written notice thereof to the Notice Parties prior to such Mode Change Date. If the Trustee receives notice of such rescission prior to the time the Trustee has given notice to the Owners of the 2008A Certificates to be converted, then such notice of change in Mode shall be of no force and effect. If the Trustee receives notice from the City of rescission of a Mode change after the Trustee has given notice thereof to the Owners of the 2008A Certificates to be converted, then if the proposed Mode Change Date would have been a Mandatory Purchase Date, such date shall continue to be a Mandatory Purchase Date. If the proposed change in Mode was from the Weekly Mode, the 2008A Certificates to have been converted shall remain in the Weekly Mode, with interest rates established in accordance with the applicable provisions of the Trust Agreement described above under "Determination of Weekly Rate," on and as of the proposed Mode Change Date.

Interest Rate Conclusive. The determination of the interest rate with respect to the 2008A Certificates by the Remarketing Agent will be conclusive and binding upon the Owners of the 2008A Certificates, the City, the Bank and the Trustee.

Interest Rate and Tender Summary. The following table summarizes certain information regarding interest rates and terms for the tender of Certificates while the 2008A Certificates are in a Weekly Mode.

**RATE AND TENDER SUMMARY TABLE
FOR THE 2008A CERTIFICATES WHILE IN A WEEKLY MODE***

Interest Payment Date	First Business Day of each month; any Mode Change Date; the maturity date
Record Date	Last Business Day before an Interest Payment Date
Rate Determination Date	Not later than _____ p.m. on each _____ immediately preceding each Weekly Rate Period, or if _____ is not a Business Day, then the Business Day next succeeding such _____
Weekly Rate Period	Date of delivery of the 2008A Certificates to the following Tuesday; thereafter each Wednesday to the following Tuesday
Optional Tender Date	Any Business Day
Notice Period for Optional Tender	Written or electronic notice not later than 5:00 p.m. on any Business Day not less than seven days prior to the Purchase Date

*The information in this table is subject to DTC settlement procedures and is provided for the convenience of the Certificate owners and is not meant to be comprehensive.

Prepayment of the 2008A Certificates

The 2008A Certificates are subject to prepayment prior to maturity as set forth below.

Optional Prepayment. While the 2008A Certificates are in a Weekly Mode, the 2008A Certificates are subject to optional prepayment by the City on any Interest Payment Date, in whole or in part in Authorized Denominations, at a prepayment price equal to the Principal Amount thereof, plus accrued interest, if any, from the end of the preceding Interest Period to, but not including, the Prepayment Date.

Mandatory Sinking Fund Prepayment. The 2008A Certificates are subject to mandatory prepayment prior to their stated maturity, in part, by lot, from Mandatory Sinking Fund Account Payments, commencing on February _____, at a prepayment price equal to

the principal amount thereof plus accrued interest thereon to the date fixed for prepayment, without premium, as shown in the table below:

Mandatory Prepayment Dates (_____ 1)	Principal Amount \$
---	------------------------

* Final Maturity.

Whenever less than all of the 2008A Certificates of any maturity (and interest rate) are subject to prepayment, the Trustee shall select the 2008A Certificates to be prepaid, from all 2008A Certificates of the respective maturity (and interest rate) not previously called for prepayment, in authorized denominations, by lot in any manner which the Trustee in its sole discretion shall deem appropriate and fair.

Notice of Prepayment of 2008A Certificates. The City shall notify the Trustee at least 45 days prior to the Prepayment Date for 2008A Certificates pursuant to the Trust Agreement. Notice of prepayment shall be mailed by the Trustee, not less than 30 nor more than 60 days prior to the Prepayment Date, (i) to the respective Owners of any 2008A Certificates designated for prepayment at their addresses appearing on the certificate registration books of the Trustee by first-class mail (i.e., Cede & Co., as nominee for DTC so long as the 2008A Certificates are subject to the DTC book-entry system).

Each notice of prepayment is required to state the date of such notice, the prepayment date, the prepayment price (including any premium), the place or places of prepayment (including the name and appropriate address or addresses of the Trustee), the CUSIP number (if any) of the maturity or maturities and, if less than all the 2008A Certificates of any maturity of a particular Certificate are to be prepaid, the distinctive certificate numbers of the 2008A Certificates of such maturity to be prepaid and, in the case of the 2008A Certificates to be prepaid in part only, the respective portions of the principal amount thereof to be prepaid.

Each such notice will also state that on said date there will become due and payable on each of said Certificates the Prepayment Price thereof or of said specified portion of the principal amount thereof in the case of a Certificate to be prepaid in part only, together with interest accrued thereon to the prepayment date, and that from and after such prepayment date interest thereon will to cease to accrue, and will require that such Certificates be then surrendered at the address or addresses of the Trustee specified in the prepayment notice.

Any notice of prepayment is required to be mailed by first-class mail, postage prepaid, to Certificate owners and the Bank not less than 30 days nor more than 60 days prior to the date fixed for prepayment.

Failure by the Trustee to give notice under the Trust Agreement, or the insufficiency of any such notice, will not affect the sufficiency of the proceedings for prepayment.

Effect of Prepayment. If moneys for payment of the Prepayment Price of, together with interest accrued to the prepayment date on, the 2008A Certificates (or portions thereof) so called for prepayment are held by the Trustee, on the prepayment date designated in such notice, the 2008A Certificates (or portions thereof) so called for prepayment will become due and payable at the Prepayment Price specified in such notice and interest accrued thereon to the prepayment date, interest with respect to the 2008A Certificates so called for prepayment will cease to accrue from and after the prepayment date, said 2008A Certificates (or portions thereof) will cease to be entitled to any benefit or security under the Trust Agreement, and the Owners of said 2008A Certificates will have no rights in respect thereof except to receive payment of the Prepayment Price. All 2008A Certificates prepaid under the provisions of the Trust Agreement will be cancelled upon surrender thereof.

Optional and Mandatory Tender of 2008A Certificates

Demand Purchase of 2008A Certificates. While the 2008A Certificates are in the Weekly Mode, the Owners of 2008A Certificates may elect to have their 2008A Certificates (or portions of those 2008A Certificates in amounts equal to Authorized Denominations) purchased on any Business Day at a price equal to the Purchase Price, upon delivery of a Tender Notice to the Trustee and the Remarketing Agent on a Business Day seven days prior to the applicable Purchase Date (the “**Tender Notice Deadline**”).

Mandatory Tender for Purchase of 2008A Certificates. The 2008A Certificates shall be subject to mandatory purchase at the Purchase Price on each of the following dates (each, a “**Mandatory Purchase Date**”):

- (1) any Mode Change Date,
- (2) the date upon which an Alternate Credit Enhancement or Alternate Liquidity Facility is substituted for the Letter of Credit,
- (3) the fifth Business Day prior to the Expiration Date of the Letter of Credit (other than as a result of an Automatic Termination Event),
- (4) the tenth Business Day after the Trustee receives written notice of termination of the Letter of Credit due to the occurrence of an event of default (other than an Automatic Termination Event) under the Reimbursement Agreement, and
- (5) the [] Business Day after receipt of notice from the Bank of its intent not to reinstate the Letter of Credit for interest drawings under the Letter of Credit.

The Trustee shall give notice of such mandatory purchase by mail to the Owners of the 2008A Certificates subject to mandatory purchase, as follows:

- (a) no less than 30 days prior to the Mandatory Purchase Date in the case of a mandatory purchase on a Substitution Date;
- (b) no less than 15 days prior to the Mandatory Purchase Date in the case of a mandatory purchase on a Mode Change Date;

(c) five days after the Trustee receives written notice of termination of the Letter of Credit due to the occurrence of an event of default (other than an Automatic Termination Event) under the Reimbursement Agreement; and

(d) no less than 5 days prior to the Mandatory Purchase Date immediately preceding any other Expiration Date.

Each notice shall state the Mandatory Purchase Date, the Purchase Price, the numbers of the 2008A Certificates to be purchased if less than all of the 2008A Certificates owned by such Owner are to be purchased, and that interest with respect to 2008A Certificates 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 Series 2008A Certificate shall not affect the validity of the mandatory purchase of any other Series 2008A Certificate 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 Owner or Beneficial Owner.

Purchase and Remarketing of 2008A Certificates

2008A Certificates Delivered for Purchase. Except as provided in the Trust Agreement, the Trustee will purchase tendered 2008A Certificates from the tendering Owners at the applicable Purchase Price. Funds for the payment of such Purchase Price by the Trustee will be derived from the following sources in the order of priority indicated:

(1) the remarketing proceeds of the sale of the 2008A Certificates as are received from purchasers of the 2008A Certificates under the Trust Agreement on deposit in the Remarketing Proceeds Account; and

(2) moneys furnished to the Trustee representing the proceeds of a draw under the Letter of Credit on deposit in the 2008A Certificates Letter of Credit Account; and

(3) Available Moneys of the City provided to the Trustee by the City, at the City's discretion, then on deposit in the 2008A Certificates Letter of Credit Account.

If moneys sufficient to pay the Purchase Price of Certificates to be purchased under the Trust Agreement are held by the Trustee, the Remarketing Agent, on the date such 2008A Certificates are to be purchased, will be deemed to have transferred on the registration books of DTC or delivered for purchase, as applicable, on such date and to have been purchased. The DTC Participants with respect to Book-Entry Certificates or former owners with respect to the 2008A Certificates that are not Book-Entry Certificates, will thereafter have no rights with respect to such Certificates except to receive payment of the Purchase Price therefor.

Remarketing of 2008A Certificates; Notice of Interest Rates

Remarketing of 2008A Certificates. The Remarketing Agent shall use its best efforts to offer for sale at par to parties other than the City:

(1) all 2008A Certificates or portions thereof as to which a Tender Notice has been delivered pursuant to the Trust Agreement; and