

## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”), dated as of April \_\_, 2008, is executed and delivered by the City of Pasadena (the “City”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Owners (hereinafter defined) of the Certificates (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Certificates in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Report” means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the Repositories.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Audited Financial Statements” means the financial statements (if any) of the City for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Certificates” means the certificates as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice required to be submitted to the Repositories under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the City and include the full name of the Certificates and the 9-digit CUSIP numbers for all Certificates to which the document applies.

“Disclosure Representative” means the Director of Finance of the City or his or her designee, or such other person as the City shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the City pursuant to Section 9 hereof.

“Information” means the Annual Financial Information, the Audited Financial Statements (if any) the Notice Event notices, and the Voluntary Reports.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“National Repository” means any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The list of National Repositories maintained by the United States Securities and Exchange Commission shall be conclusive for purposes of determining National Repositories. Currently, the following are National Repositories:

1. DPC Data Inc.  
One Executive Drive  
Fort Lee, New Jersey 07024  
(201) 346-0701 (phone)  
(201) 947-0107 (fax)  
Email: nrmsir@dpcdata.com
2. FT Interactive Data  
Attn: NRMSIR  
100 William Street, 15th Floor  
New York, New York 10038  
(212) 771-6999 (800) 689-8499(phone)  
(212) 771-7390 (fax)  
Email: NRMSIR@Interactivedata.com
3. Bloomberg Municipal Repository  
100 Business Park Drive  
Skillman, New Jersey 08542-0840  
(609) 279-3225 (phone)  
(609) 279-5962 (fax)  
Email: Munis@Bloomberg.com
4. Standard & Poor’s Securities Evaluations, Inc.  
55 Water Street  
45<sup>th</sup> Floor  
New York, New York 10041  
(212) 438-4595 (phone)  
(212) 438-3975 (fax)  
Email: nrmsir\_repository@sandp.com

“Notice Event” means an event listed in Sections 4(a) of this Disclosure Agreement.

“Official Statement” means that Official Statement prepared by the City in connection with the Certificates, as listed on Appendix A.

“Owner” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries) or (b) treated as the owner of any Certificates for federal income tax purposes.

“Repository” means the MSRB, each National Repository and the State Depository (if any).

“State Depository” means any public or private depository or entity designated by the State of California as a state information depository (if any) for the purpose of the Rule. The list of state

information depositories maintained by the United States Securities and Exchange Commission shall be conclusive as to the existence of a State Depository. Currently, the following depositories are listed by the Securities and Exchange Commission as available State Depositories:

1. Municipal Advisory Council of Michigan  
1445 First National Building  
Detroit, Michigan 48226-3517  
(313) 963-0420 (phone)  
(313) 963-0943 (fax)  
MAC@macmi.com
2. Municipal Advisory Council of Texas  
PO Box 2177  
Austin, TX 78768-2177  
(512) 476-6947 (phone)  
(512) 476-6403 (fax)  
mac@mactexas.com
3. Ohio Municipal Advisory Council  
9321 Ravenna Road, Unit K  
Twinsburg, OH 44087-2445  
(330) 963-7444 (phone)  
(800) 969-OMAC (6622) (phone)  
(330) 963-7553 (fax)  
sid\_filings@ohiomac.com

“Trustee” means the institution identified as such in the document under which the Certificates were executed and delivered.

“Voluntary Report” means the information provided to the Disclosure Dissemination Agent by the City pursuant to Section 7.

## SECTION 2. Provision of Annual Reports.

(a) The City shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than 30 days prior to the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to each National Repository and the State Depository (if any) not later than 185 days after the end of the City’s Fiscal Year (presently June 30), commencing with the report for Fiscal Year 2007-08. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the City of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification) no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the City will not be able to file the Annual Report within the time required under this Disclosure

Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Notice Event as described in Section 4(a)(12) has occurred and to immediately send a notice to each National Repository or the MSRB and the State Depository (if any) in substantially the form attached as Exhibit B.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 12:00 noon on the first business day following the Annual Filing Date for the Annual Report, a Notice Event described in Section 4(a)(12) shall have occurred and the City irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to each National Repository or the MSRB and the State Depository (if any) in substantially the form attached as Exhibit B.

(d) If Audited Financial Statements of the City are prepared but not available prior to the Annual Filing Date, the City shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certificate, together with a copy for the Trustee, for filing with each National Repository and the State Depository (if any).

(e) The Disclosure Dissemination Agent shall:

- (i) determine the name and address of each Repository each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Section 2(a) with each National Repository, and the State Depository, (if any);
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with each National Repository, and the State Depository (if any);
- (iv) upon receipt, promptly file the text of each disclosure to be made with each National Repository and the State Depository (if any) together with a completed copy of the Event Notice Cover Sheet in the form attached as Exhibit C, describing the event by checking the box indicated below when filing pursuant to the Section of this Disclosure Agreement indicated:
  1. “Principal and interest payment delinquencies,” pursuant to Sections 4(c) and 4(a)(1);
  2. “Non-Payment related defaults,” pursuant to Sections 4(c) and 4(a)(2);
  3. “Unscheduled draws on debt service reserves reflecting financial difficulties,” pursuant to Sections 4(c) and 4(a)(3);
  4. “Unscheduled draws on credit enhancements reflecting financial difficulties,” pursuant to Sections 4(c) and 4(a)(4);
  5. “Substitution of credit or liquidity providers, or their failure to perform,” pursuant to Sections 4(c) and 4(a)(5);
  6. “Adverse tax opinions or events affecting the tax-exempt status of the security,” pursuant to Sections 4(c) and 4(a)(6);
  7. “Modifications to rights of securities holders,” pursuant to Sections 4(c) and 4(a)(7);

8. "Bond calls," pursuant to Sections 4(c) and 4(a)(8);
  9. "Defeasances," pursuant to Sections 4(c) and 4(a)(9);
  10. "Release, substitution, or sale of property securing repayment of the securities," pursuant to Sections 4(c) and 4(a)(10);
  11. "Ratings changes," pursuant to Sections 4(c) and 4(a)(11);
  12. "Failure to provide annual financial information as required," pursuant to Section 2(b)(ii) or Section 2(c), together with a completed copy of Exhibit B to this Disclosure Agreement.
- (v) provide the City evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The City may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the Repositories, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

### SECTION 3. Content of Annual Reports.

The City's Annual Report shall contain or include by reference the following:

(i) The City's annual Consolidated Annual Financial Report (the "CAFR") which shall include the audited financial statements of the City for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available;

(ii) The City's most recently published Annual Report, not previously filed with the National Repositories, if any;

(iii) Updated information comparable to the information in the following tables as they appears in the Official Statement, dated April \_\_, 2008, relating to the Certificates (the "Official Statement");

- (a) TABLE 4 – CITY OF PASADENA MAJOR EMPLOYERS" for the previous calendar year;
- (b) "TABLE 6 – CITY OF PASADENA BUILDING PERMIT VALUATION AND PERMIT ACTIVITY" for the previous fiscal year;
- (c) "TABLE 7 – CITY OF PASADENA TAXABLE TRANSACTIONS BY TYPE OF BUSINESS" for the previous twelve-month period ended September 30;
- (d) the information under the caption "THE CITY - Employee Relations" for the prior calendar year;

- (e) the information under the caption "THE CITY - Retirement System" for the previous fiscal year;
- (f) the information under the caption "THE CITY - Insurance" and "TABLE 9 – CITY OF PASADENA LIABILITY CLAIM EXPENDITURES AND REMAINING RESERVES" for the previous fiscal year;
- (g) "TABLE 10 – CITY OF PASADENA GENERAL FUND COMPARATIVE OPERATING BUDGET" for the current fiscal year;
- (h) the amount realized from the City's largest revenue sources for the previous fiscal year, similar to the information set forth in the "TABLE 12 – GENERAL TAX REVENUES";
- (i) "TABLE 13 – CITY OF PASADENA ASSESSED VALUATION OF TAXABLE PROPERTY" for the previous fiscal year;
- (j) "TABLE 15 – CITY OF PASADENA TOP TEN PROPERTY TAXPAYERS" for the previous fiscal year;
- (k) "TABLE 16 – CITY OF PASADENA GENERAL FUND COMPARATIVE BALANCE SHEETS" for the previous fiscal year;
- (l) "TABLE 17 – CITY OF PASADENA GENERAL FUND COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES" for the previous fiscal year;
- (m) the information under the caption "CITY FINANCIAL INFORMATION - Investment Practices" and "TABLE 18 – CITY OF PASADENA POOLED INVESTMENT PORTFOLIO" and the weighted average maturity of those investments as of the reporting date; and
- (n) the principal amount and maturity date of any outstanding revenue anticipation notes.

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the City is an “obligated person” (as defined by the Rule), which have been previously filed with each of the National Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The City will clearly identify each such document so incorporated by reference.

#### SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events, if material, with respect to the Certificates constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements relating to the Certificates reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or events affecting the tax-exempt status of the Certificates;
7. Modifications to rights of Owners;
8. Bond calls;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Certificates;
11. Rating changes on the Certificates; and
12. Failure to provide annual financial information as required.

The City shall promptly notify the Disclosure Dissemination Agent in writing upon the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c). Such notice shall be accompanied with the text of the disclosure that the City desires to make, the written authorization of the City for the Disclosure Dissemination Agent to disseminate such information, and the date the City desires for the Disclosure Dissemination Agent to disseminate the information.

(b) The Disclosure Dissemination Agent is under no obligation to notify the City or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within five business days of receipt of such notice, instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c), together with the text of the disclosure that the City desires to make, the written authorization of the City for the Disclosure Dissemination Agent to disseminate such information, and the date the City desires for the Disclosure Dissemination Agent to disseminate the information.

(c) If the Disclosure Dissemination Agent has been instructed by the City as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with the State Depository (if any) and (i) each National Repository, or (ii) the MSRB in accordance with Section 2e(iv) hereof.

**SECTION 5. CUSIP Numbers.** Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, notices of Notice Events, and Voluntary Reports filed pursuant to Section 7(a), the City shall indicate the full name of the Certificates and the 9-digit CUSIP numbers for the Certificates as to which the provided information relates.

**SECTION 6. Additional Disclosure Obligations.** The City acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the City, and that the failure of the Disclosure Dissemination Agent to so advise the City shall not constitute a breach by the Disclosure Dissemination Agent of any of its duties and responsibilities under this Disclosure Agreement. The City acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Reports.

(a) The City may instruct the Disclosure Dissemination Agent to file information with the Repositories, from time to time pursuant to a Certification of the Disclosure Representative accompanying such information (a “Voluntary Report”).

(b) Nothing in this Disclosure Agreement shall be deemed to prevent the City from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice, in addition to that required by this Disclosure Agreement. If the City chooses to include any information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice in addition to that which is specifically required by this Disclosure Agreement, the City shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice.

SECTION 8. Termination of Reporting Obligation. The obligations of the City and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Certificates upon the legal defeasance, prior redemption or payment in full of all of the Certificates, when the City is no longer an obligated person with respect to the Certificates, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized special counsel to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The City has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The City may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC’s services as Disclosure Dissemination Agent, whether by notice of the City or DAC, the City agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Owners of the Certificates. Notwithstanding any replacement or appointment of a successor, the City shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days’ prior written notice to the City.

SECTION 10. Remedies in Event of Default. In the event of a failure of the City or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Owners’ rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties’ obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Certificates or under any other document relating to the Certificates, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent’s obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the City has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices



provided to it by the City and shall not be deemed to be acting in any fiduciary capacity for the City, the Owners of the Certificates or any other party. The Disclosure Dissemination Agent shall have no responsibility for the City's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the City has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the City at all times.

THE CITY AGREES TO INDEMNIFY AND SAVE THE DISCLOSURE DISSEMINATION AGENT AND ITS RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, HARMLESS AGAINST ANY LOSS, EXPENSE AND LIABILITIES WHICH THEY MAY INCUR ARISING OUT OF OR IN THE EXERCISE OR PERFORMANCE OF THEIR POWERS AND DUTIES HEREUNDER, INCLUDING THE COSTS AND EXPENSES (INCLUDING ATTORNEYS FEES) OF DEFENDING AGAINST ANY CLAIM OF LIABILITY, BUT EXCLUDING LIABILITIES DUE TO THE DISCLOSURE DISSEMINATION AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

The obligations of the City under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Certificates.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and neither of them shall incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The fees and expenses of such counsel shall be payable by the City.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the City and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the City and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Owners of the Certificates and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the City or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the City. No such amendment shall become effective if the City shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the City, the Trustee of the Certificates, the Disclosure Dissemination Agent, the underwriter, and the Owners from time to time of the Certificates, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of California (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

*[Remainder of page intentionally left blank.]*

The Disclosure Dissemination Agent and the City have caused this Continuing Disclosure Agreement to be executed, as of the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as  
Disclosure Dissemination Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CITY OF PASADENA, CALIFORNIA  
as Issuer

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**

**NAME AND CUSIP NUMBERS OF CERTIFICATES**

Name of Issuer                      City of Pasadena  
Obligated Person(s)              City of Pasadena  
Name of Issue: \$ \_\_\_\_\_ Refunding Certificates of Participation, Series 2008B

Date of Issuance:                  April \_\_, 2008  
Date of Official Statement: April \_\_, 2008

CUSIP Number:		CUSIP Number:	
CUSIP Number:		CUSIP Number:	
CUSIP Number:		CUSIP Number:	
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**EXHIBIT B**

**NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT**

Name of Obligated Person: City of Pasadena  
Name of Issue: \$ \_\_\_\_\_ Refunding Certificates of Participation, Series 2008B  
Date of Issuance: April \_\_, 2008

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the above-named Certificates as required by the Continuing Disclosure Agreement executed by the City on the date of issuance of the Certificates. [The City anticipates that the Annual Report will be filed by \_\_\_\_\_].

Dated: \_\_\_\_\_

DIGITAL ASSURANCE CERTIFICATION,  
L.L.C., on behalf of the City of Pasadena,  
California

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

**EXHIBIT C  
EVENT NOTICE COVER SHEET**

This cover sheet and material event notice will be sent to all Nationally Recognized Municipal Securities Information Repositories, and any State Information Depository, if applicable, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

\_\_\_\_\_

Issuer's Six-Digit CUSIP Number:

\_\_\_\_\_

\_\_\_\_\_

or Nine-Digit CUSIP Number(s) of the Certificates to which this material event notice relates:

\_\_\_\_\_

Number of pages of attached: \_\_\_\_\_

\_\_\_\_ Description of Material Event Notice (Check One):

1.  Principal and interest payment delinquencies
2.  Non-Payment related defaults
3.  Unscheduled draws on debt service reserves reflecting financial difficulties
4.  Unscheduled draws on credit enhancements reflecting financial difficulties
5.  Substitution of credit or liquidity providers, or their failure to perform
6.  Adverse tax opinions or events affecting the tax-exempt status of the security
7.  Modifications to rights of securities holders
8.  Bond calls
9.  Defeasances
10.  Release, substitution, or sale of property securing repayment of the securities
11.  Rating changes
12.  Other material event notice (specify) \_\_\_\_\_

\_\_\_\_ Failure to provide annual financial information as required

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

\_\_\_\_\_

\_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Employer: Digital Assurance Certification, L.L.C.

Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

Voice Telephone Number: \_\_\_\_\_

PRELIMINARY OFFICIAL STATEMENT DATED \_\_\_\_\_, 2008

NEW ISSUE—FULL BOOK-ENTRY

RATINGS: \_\_\_\_\_  
(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 2008B 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 2008B Certificates is not includable in the gross income of the holders of the 2008B 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 2008B 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 2008B Certificates is exempt from personal income taxes imposed by the State of California. See "TAX MATTERS" herein.*

§ \_\_\_\_\_  
Refunding Certificates of Participation, Series 2008B  
Evidencing and Representing Proportionate,  
Undivided Interests of the Owners  
Thereof in Base Rental Payments to Be Made by the  
CITY OF PASADENA, CALIFORNIA

Dated: Date of Delivery

Due: February 1, as set forth on the inside front cover

The Refunding Certificates of Participation, Series 2008B (the "2008B 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 2008B Certificates are being delivered in fully registered form 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 the Securities Depository for the 2008B Certificates and individual purchases of 2008B Certificates will be made in book-entry form only, in authorized denominations of \$5,000 or any multiple thereof. Interest represented by the 2008B Certificates will be payable on each February 1 and August 1, commencing \_\_\_\_\_ 1, 2008. Principal and interest represented by the 2008B Certificates will be payable by the Trustee to DTC, which is obligated in turn to remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the 2008B Certificates. See APPENDIX D - "BOOK-ENTRY SYSTEM" herein.

The 2008B Certificates are subject to optional and mandatory prepayment prior to their scheduled maturity under the circumstances described herein. See "THE 2008B CERTIFICATES—Prepayment" herein.

The 2008B Certificates are being executed and delivered (i) to refund the City's Refunding Certificates of Participation, Series 2004A and 2004B (collectively, the "Refunded Certificates"), on a current basis, (ii) to fund an incremental amount, if any, to the reserve fund with respect to the 2008B Certificates and (iii) to pay the costs of execution and delivery of the 2008B Certificates. See "THE REFUNDING PLAN" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The 2008B 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 represented by 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 2008B CERTIFICATES—Rental Abatement" and "RISK FACTORS" herein.

[Payment of the principal and interest represented by the 2008B Certificates when due will be insured by an insurance policy to be issued by \_\_\_\_\_ simultaneously with the delivery of the 2008B Certificates. See "CERTIFICATE INSURANCE" herein.]

**MATURITY SCHEDULE\***

(See Inside Front Cover)

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 2008B 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.

For a discussion of certain risk factors which should be evaluated prior to purchase of the 2008B Certificates, see "RISK FACTORS" herein.

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 2008B Certificates. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

*The 2008B 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, California, 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 2008B Certificates will be available for delivery through the facilities of DTC on or about \_\_\_\_\_, 2008.*

**Banc of America Securities LLC**

Dated: \_\_\_\_\_, 2008

\*Preliminary, subject to change

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. These securities may not be sold nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

\$ \_\_\_\_\_ \*

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

<b>Maturity Date (____ I)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Price or Yield</b>	<b>CUSIP Number†</b>
	\$	%	%	

(\*) Preliminary, subject to change.

(†) A registered trademark of the American Bankers Association. CUSIP data herein is provided by Standard & Poor's CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. CUSIP numbers are provided for the convenience of reference only. The City takes no responsibility for the accuracy of such numbers.



No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained herein and, if given or made, such other information or representation may not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or a solicitation or an offer to buy nor shall there be any sale of the 2008B Certificates by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the 2008B Certificates. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts.

The information set forth herein has been obtained from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriter. The information and expression of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create an implication that there has been no change in the affairs of the City since the date hereof.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "anticipate," "expect," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No assurance is given that actual results will meet the City's forecasts in any way, regardless of the level of optimism communicated in the information. The City is not obligated to issue any updates or revisions to the forward-looking statements if or when its expectations change, or events, conditions or circumstances on which such statements are based, occur.

In connection with this offering, the Underwriter may over-allot or effect transactions which stabilize or maintain the market price of the 2008B Certificates at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

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 responsibilities to investors under federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The 2008B Certificates have not been registered under the Securities Act of 1933, as amended, in reliance upon the exemption contained in Section 3(a)(2) of such Act. The Trust Agreement has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon an exemption contained in such Act.