

City of Pasadena
110 N. Garfield, Room S228
Pasadena, California 91109

CITY OF PASADENA
and
PASADENA PUBLIC FINANCING AUTHORITY

CITY COUNCIL/AUTHORITY BOARD OF DIRECTORS

Bill Bogaard, Mayor/Chairman
Steve Madison (District 6), Council Member/Board Member
Jacque Robinson (District 1), Council Member/Board Member
Margaret McAustin (District 2), Council Member/Board Member
Chris Holden (District 3), Council Member/Board Member
Steve Haderlein (District 4), Vice Mayor/Vice Chairman
Victor Gordo (District 5), Council Member/Board Member
Sidney F. Tyler, Jr. (District 7), Council Member/Board Member

CITY STAFF

Bernard Melikian, Interim City Manager
Michele Beal Bagneris, City Attorney/City Prosecutor
Stephen C. Stark, Director of Finance
Vicken (Vic) Erganian, City Treasurer
Jane L. Rodriguez, CMC, City Clerk

SPECIAL SERVICES

SPECIAL COUNSEL
Sidley Austin LLP
San Francisco, California

TRUSTEE

The Bank of New York Trust Company, N.A.
Los Angeles, California

FINANCIAL ADVISOR
Public Financial Management, Inc.
Los Angeles, California

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OFFICIAL STATEMENT

§ _____
**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**

INTRODUCTION

General

The purpose of this Official Statement, including the cover page and appendices hereto, is to provide certain information concerning the City of Pasadena (the "City") and the sale and delivery of \$ _____* aggregate principal amount of Refunding Certificates of Participation, Series 2008B (the "2008B Certificates"), evidencing and representing proportionate, undivided interests of the registered owners thereof (the "Owners") in base rental payments (the "Base Rental Payments") to be made by the City as the rental for certain real property and improvements (the "Leased Property") pursuant to the Amended and Restated Sublease, dated as of January 1, 2003 (as the same has been and may be amended and supplemented, the "Sublease"), including as supplemented by Supplement No. 4 to Amended and Restated Sublease, dated as of _____ 1, 2008 ("Supplement No. 4 to Sublease"), each between the Pasadena Public Financing Authority (the "Authority") and the City.

Definitions of certain terms used in this Official Statement are set forth in APPENDIX B – "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—Definitions of Certain Terms."

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. For further information concerning the City, see "THE CITY" herein.

The City's basic financial statements for the fiscal year ended June 30, 2007 are attached hereto in APPENDIX A – "AUDITED BASIC FINANCIAL STATEMENTS OF THE CITY OF PASADENA FOR FISCAL YEAR ENDED JUNE 30, 2007." These financial statements, including Management's Discussion and Analysis, the auditor's report and the notes thereto, should be read in their entirety.

The Trust Agreement and the Certificates

The 2008B 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 Fourth Supplemental Trust Agreement, dated as of _____ 1,

* Preliminary, subject to change.

2008 (the “Fourth 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”). For information on outstanding Certificates, interest rate swap agreements payable from the Base Rental Payments and future delivery of Additional Certificates, see “OUTSTANDING INDEBTEDNESS.”

Base Rental Payments

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 “RISK FACTORS—Rental Abatement” herein. The Authority has assigned its rights to receive Base Rental Payments and substantially all of its other rights under the Sublease to the Trustee pursuant to the Amended and Restated Assignment Agreement, dated as of January 1, 2003 (the “Assignment Agreement”), between the Authority and the Trustee.

Base Rental Payments are to be paid to the Trustee for deposit in Base Rental Payment Funds established under the Trust Agreement with respect to each Series of Certificates. The Base Rental Payments made by the City are to be applied to amounts due with respect to the Certificates, including payments to Liquidity Providers, Credit Providers, and Qualified Swap Providers. The rights to the Base Rental Payments and the amounts held by the Trustee under the Trust Agreement (other than the Rebate Fund) have been pledged to the Owners of the Certificates, the Credit Providers, the Liquidity Providers and the Qualified Swap Providers on a parity basis. The Base Rental Payments are to be applied as provided in the Trust Agreement. See “SOURCE OF PAYMENT OF THE 2008B CERTIFICATES—Base Rental Payment Funds.”

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 2008B Certificates, and amounts due under Liquidity Facilities, Credit Enhancement and Swap Agreements. While the Base Rental Payments are payable from any legally available funds, the City expects to make Base Rental Payments from amounts in its General Fund to the extent revenues of affiliated entities operating portions of the Leased Property are not available. The City has entered into agreements to make payments from its General Fund in addition to the Base Rental Payments. See “CITY FINANCIAL INFORMATION” and Notes [10] through [17] of the Notes to Basic Financial Statements included in APPENDIX A – “AUDITED BASIC FINANCIAL STATEMENTS OF THE CITY OF PASADENA FOR FISCAL YEAR ENDED JUNE 30, 2007.” 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 2008B 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 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.

[Insurance]

[Simultaneously with the delivery of the 2008B Certificates, an insurance policy (the “Insurance Policy”) will be issued by _____ (the “Insurer”), which will provide for the payment of the principal and interest represented by the 2008B Certificates when due to the extent the Trustee has not received sufficient funds from the City or otherwise to make such payments. See “CERTIFICATE INSURANCE” herein.]

Swap Agreements

In connection with each of the 2003 Certificates and the 2006B Certificates, the City entered into an interest rate swap agreement (collectively, the “Swap Agreements”) pursuant to which the City is to pay a fixed interest rate, and is to receive a variable rate of interest, on a notional amount approximately equal to the outstanding principal amount of the applicable Series of Certificates. Payments by the City under these Swap Agreements are to be made from Base Rental Payments as provided in the Trust Agreement, and are therefore an obligation of the City payable on a parity with the Base Rental Payments represented by the 2008B Certificates. See “OUTSTANDING INDEBTEDNESS—Swap Agreements” herein.

Purpose of 2008B Certificates

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 a 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” herein.

Summaries Not Definitive

Brief descriptions of the 2008B Certificates, the City and the Leased Property are included in this Official Statement, together with summaries of the Trust Agreement, the Sublease, the Lease, and the Assignment Agreement. Such descriptions and summaries do not purport to be comprehensive or definitive. All references herein to the 2008B Certificates, the Trust Agreement, the Lease, the Sublease and the Assignment Agreement are qualified in their entirety by reference to the actual documents, copies of which are available for inspection at the corporate trust office of the Trustee at The Bank of New York Trust Company, 700 South Flower Street, Los Angeles, California 90017.

Additional Information

The City regularly prepares a variety of publicly available reports, including audits, budgets and related documents. Any Owner may obtain a copy of any such report, as available, from the City. The City may charge a fee for copying, handling and postage in connection with such requests. Additional information regarding this Official Statement may be obtained by contacting the Director of Finance of the City at the following address:

Mr. Stephen C. Stark
Director of Finance
City of Pasadena
117 East Colorado Boulevard
Pasadena, California 91105
(626) 744-4350
(626) 744-7093 (Fax)

THE REFUNDING PLAN

A portion of the proceeds of the 2008B Certificates will be used to refund on a current basis the City's Refunding Certificates of Participation, Series 2004A and 2004B (collectively, the "Refunded Certificates") currently outstanding in the amount of \$29,000,000 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 Refunded Certificates on _____, 2008.

THE 2008B CERTIFICATES

General

The 2008B Certificates will be dated as of their date of delivery and will be payable as to interest from such date, semiannually on each February 1 and August 1, commencing ____ 1, 2008 (each, an "Interest Payment Date"). Interest evidenced by the 2008B Certificates will be calculated on the basis of a 360-day year comprised of twelve 30-day months. The 2008B Certificates will be delivered in authorized denominations of \$5,000 or any multiple thereof. The 2008B Certificates will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, ("DTC"), which will act as securities depository for the 2008B Certificates. Payments of principal and interest evidenced by the 2008B Certificates will be paid by the Trustee to DTC, which is obligated in turn to remit such principal and interest with respect to the 2008B Certificates. See APPENDIX D - "BOOK-ENTRY SYSTEM" attached hereto.

The 2008B Certificates are being delivered as a Series of Additional Certificates pursuant to the Trust Agreement. Each Owner of 2008B Certificates will have the same rights upon an Event of Default as the Owner of any other Series of Certificates, except as any such rights of the Owners of future Series of Additional Certificates may be limited as provided in the Supplemental Trust Agreement under which such Additional Certificates are executed and delivered. See "SOURCE OF PAYMENT FOR THE 2008B CERTIFICATES," "OUTSTANDING INDEBTEDNESS-Additional Certificates," APPENDIX B - "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS."

DTC will act as securities depository for the 2008B Certificates. The 2008B Certificates are being delivered in fully registered form and, when issued, will be registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered 2008B Certificate will be executed and delivered for each maturity of the Certificates, each in the aggregate principal amount of such maturity, and will be deposited with DTC. So long as Cede & Co. is the registered owner of the 2008B Certificates, as nominee of DTC, references herein to the owners of the 2008B Certificates shall mean Cede & Co. and shall not mean the actual purchasers of the 2008B Certificates (the "Beneficial Owners"). The information in this section and in Appendix D concerning DTC and DTC's book-entry system is based solely on information provided by DTC, and no representations can be made by the City or the Trustee concerning the accuracy thereof. See APPENDIX D - "BOOK-ENTRY SYSTEM" attached hereto for a further description of DTC and its book-entry system.

Prepayment

Optional Prepayment. The 2008B Certificates maturing on or after February 1 20__, are subject to optional prepayment by the City on or after February 1, 20__, in whole, or in part, proportionately among all maturities and by lot within a maturity, on any date, at the prepayment price of 100% of the principal amount of the 2008B Certificates to be prepaid, plus accrued interest represented thereby to the date fixed for prepayment.

Mandatory Prepayment From Net Proceeds. The 2008B Certificates are subject to prepayment on any date prior to their respective principal payment dates, as a whole, or in part, at the direction of the City, from the net proceeds of any insurance or condemnation award with respect to the Leased Property or portions thereof, at a prepayment price equal to the sum of the principal amount represented thereby plus accrued interest represented thereby to the date fixed for prepayment, without premium; provided, however, that notwithstanding the foregoing, such prepayment may be effected with respect to the 2008B Certificates by defeasing such 2008B Certificates or portions thereof to maturity pursuant to the Trust Agreement.

Notice of Prepayment

The Trustee will give the Securities Depository at least two Business Days' notice of the record date selected by it for the purpose of a prepayment of 2008B Certificates, which will comply with the requirements of the Trust Agreement. The Trustee will give notice of the prepayment of 2008B Certificates, not less than 30 nor more than 60 days prior to the prepayment date to the respective Owners of any 2008B Certificates designated for prepayment at their addresses appearing on the registration books of the Trustee. So long as DTC or its nominee is the registered owner of the 2008B Certificates, all notices of prepayment will be sent only to DTC.

SCHEDULE OF 2008B CERTIFICATE PAYMENTS

The following table shows the annual debt service due with respect to the 2008B Certificates.

<u>Year Ending (February 1)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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Total Rental. The Base Rental Payments and Additional Rental for each Lease Year or portion thereof during the term of the Sublease will constitute the total rental for such Lease Year or portion thereof for the lease of the Leased Property.

Covenant to Budget and Appropriate

Under the Sublease, the City covenants to take such action as may be necessary to include all Base Rental Payments and Additional Rental payments in its operating budget for each fiscal year and to make all necessary appropriations for such Base Rental Payments and Additional Rental payments. In addition, to the extent permitted by law, the City covenants to take such action as may be necessary to amend or supplement the budget appropriations for payments under the Sublease at any time and from time to time during any fiscal year in the event that the actual Base Rental Payments and Additional Rental paid in any fiscal year exceeds the pro rata portion of the appropriations then contained in the City's budget. The Sublease provides that the City's agreements and covenants thereunder shall be deemed to be and shall be construed to be duties imposed by law and that it shall be the duty of each and every public official of the City to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out and perform the agreements and covenants in the Sublease agreed to be carried out and performed by the City.

Pledge of Base Rental Payments

The Authority and the City have irrevocably pledged and transferred to the Trustee, for the benefit of the Owners and each Credit Provider, Liquidity Provider and Qualified Swap Provider with respect to Certificates, all of their right, title and interest in and to all amounts on deposit from time to time, in the funds and accounts established under the Trust Agreement (other than the Rebate Fund) and in and to the Base Rental Payments, which will be used for the punctual payment of the interest and principal represented by the Certificates, or to reimburse any Credit Provider for payment of any such amounts and to pay the amounts payable under any Swap Agreement, as such payments will become due and payable in the amounts specified in writing by the applicable Qualified Swap Provider, and the Base Rental Payments will not be used for any other purpose while any of the Certificates remain Outstanding or the City has any obligation to any Credit Provider, Liquidity Provider or Qualified Swap Provider. The pledge constitutes a first and exclusive lien on the funds established under the Trust Agreement and the Base Rental Payments in accordance with the terms thereof subject in all respects to the power of the City to cause the delivery of Additional Certificates pursuant to the Trust Agreement which will be on a parity with the Outstanding 1993 Certificates, 2003 Certificates, 2006A Certificates and 2008A Certificates.

Base Rental Payment Funds

All Base Rental Payments will be paid directly by the City to the Trustee and if received by the Authority at any time, will be deposited by the Authority with the Trustee within one Business Day after the receipt thereof. A pro rata amount of Certificates, based on the aggregate amount Outstanding of all Base Rental Payments, the proceeds of rental interruption insurance and liquidated damages, if any, will be deposited by the Trustee in each Base Rental Payment Fund and all amounts on deposit therein will be held in trust by the Trustee, which funds the Trustee agrees to establish and maintain for the benefit of the Owners, each Credit Provider, Liquidity Provider and Qualified Swap Provider, until all required Base Rental Payments are paid in full pursuant to the Sublease and until such date as the Certificates are no longer Outstanding and no amounts remain owing to any Credit Provider, Liquidity Provider or Qualified Swap Provider; provided, however, and notwithstanding the foregoing, if the Trustee receives a Base Rental Payment in excess of the amount necessary to pay the amount due and owing on the next Interest Payment Date, Principal Payment Date or Mandatory Sinking Account Payment Date, as the case may be, after giving effect to the funds then on deposit in each Base Rental Payment Fund not needed for any

other purpose under the Trust Agreement, and if the amount then in all Certificate Reserve Funds is at least equal to the Certificate Reserve Fund Requirement, and no amounts are then due to any related Credit Provider, Liquidity Provider or Qualified Swap Provider and there exists no Event of Default under the Trust Agreement, then amounts in the Base Rental Payment Funds not needed to make such payments may be utilized by the Trustee to make any regular periodic payment due to a Reserve Agreement Provider under a Reserve Agreement.

The Trust Agreement provides that the Trustee is to deposit the amounts on deposit in the Base Rental Payment Funds at the time and in the priority in the following respective funds:

Interest Funds. The Trustee, on each Interest Payment Date, shall deposit in each Interest Fund that amount of moneys representing the portion of the Base Rental Payments designated as the interest component with respect to the related Series of Certificates coming due on such Interest Payment Date. Moneys in the Interest Fund shall be used and withdrawn by the Trustee for the purpose of paying the interest represented by the Certificates when due and payable or for reimbursing any Credit Provider for such payment and for making any payment due to any Qualified Swap Provider not including any amounts owing to any Qualified Swap Provider as a result of the early termination of its Qualified Swap.

Principal Fund. The Trustee, on each Principal Payment Date and Mandatory Sinking Account Payment Date, shall deposit in each Principal Fund that amount of moneys representing the portion of the Base Rental Payments designated as the principal component coming due on such Principal Payment Date.

Mandatory Sinking Account Payment Date. Moneys in the Principal Funds shall be used and withdrawn by the Trustee for the purpose of paying the principal represented by the Certificates when due and payable at maturity or upon earlier prepayment from Mandatory Sinking Account Payments.

Prepayment Fund. The Trustee, on the prepayment date specified in the Written Request of the City filed with the Trustee at the time that any prepaid Base Rental Payment is paid to the Trustee pursuant to the Sublease, shall deposit in the Prepayment Fund established with respect to the Certificates of a Series to be prepaid that amount of moneys representing the portion of the Base Rental Payments designated as prepaid Base Rental Payments. Moneys in the Prepayment Fund shall be used and withdrawn by the Trustee for the purpose of paying the principal, premium, if any, and interest represented by the Certificates to be prepaid or for reimbursing any Credit Provider for such payment and for paying amounts owing to any Qualified Swap Provider as a result of the early termination of its Qualified Swap.

All Base Rental Payment Funds, all Interest Funds and all Principal Funds are secured and pledged to the payment of all Certificates and to the obligations owing to each Credit Provider, Liquidity Provider and Qualified Swap Provider. To the extent amounts on deposit in any Base Rental Payment Fund, Interest Fund or Principal Fund are insufficient to pay the interest or principal represented by all Certificates or reimburse any Credit Provider for such payment and to pay all amounts owing to any Qualified Swap Provider, the Trustee shall transfer from such other Base Rental Payment Funds, Interest Funds or Principal Funds, if available, so that all Certificates and all amounts owing to such providers shall be on a parity, and no Owner of any Certificate shall enjoy any payment or security in excess of those received by any other Owner. No amounts drawn or paid under any Qualified Swap, Credit Enhancement or Liquidity Facility by the provider thereof with respect to any Series of Certificates shall be applied to the payment of any amounts owed to any Owners of any unrelated Series of Certificates or to any unrelated Qualified Swap Provider, Credit Provider or Liquidity Provider.

Certificate Reserve Funds

Under the Trust Agreement, there are separate Certificate Reserve Funds for each of the 1993 Certificates, 2003 Certificates, 2006A Certificates and 2008A Certificates. All such Certificate Reserve Funds secure all Outstanding Certificates and are funded, in the aggregate, in an amount equal to the Certificate Reserve Fund Requirement. As of the delivery date of the 2008B Certificates, the amount of the Certificate Reserve Fund Requirement will be \$_____ and deposits, if any, will be made to the 2008B Certificate Reserve Fund so that the aggregate amount in all Certificate Reserve Funds under the Trust Agreement is an amount sufficient to satisfy the Certificate Reserve Fund Requirement. See "ESTIMATED SOURCES AND USES OF FUNDS."

The term "Certificate Reserve Fund Requirement" is defined under the Trust Agreement to mean, as of any date of calculation, the least of: (i) maximum prospective annual Base Rental Payments with respect to Outstanding Certificates to be made by the City under the Sublease; (ii) 10% of the proceeds of the Certificates; or (iii) 125% of the average annual Base Rental Payments with respect to Outstanding Certificates to be made by the City under the Sublease, in accordance with the Tax Certificate. For purposes of the foregoing, it shall be assumed that the interest component of the Base Rental Payments relating to any Series of the Certificates for which a Qualified Swap is in effect will be equal to the swap rate and that the interest component of the Base Rental Payments relating to any Series of Certificates evidencing interest at a variable or auction rate (for which No Qualified Swap is in effect) will be equal to the Insured "AAA" MMD (Municipal Market Data) scale on the date of initial calculation of the Certificate Reserve Fund Requirement in connection with the delivery of such Series of Certificates (which date of calculation shall be not more than 30 days prior to the date of delivery of such Series of Certificates). See APPENDIX B – "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – The Trust Agreement – Certificate Reserve Fund."

Moneys in the Certificate Reserve Funds will be used and withdrawn by the Trustee solely for the purposes provided in the Trust Agreement. If, on any Interest Payment Date, the amount on deposit in any Interest Fund is insufficient to pay the interest due with respect to the related Certificates on such Interest Payment Date, or to reimburse any Credit Provider for payment of such interest and to pay any obligation of the City then due under a related Qualified Swap, the Trustee will transfer from any Certificate Reserve Fund and deposit in the related Interest Fund an amount sufficient to make up such deficiency. If, on any Principal Payment Date or any Mandatory Sinking Account Payment Date, the amount on deposit in any Principal Fund is insufficient to pay the principal due with respect to the related Certificates on such Principal Payment Date or Mandatory Sinking Account Payment Date, the Trustee will transfer from any Certificate Reserve Fund and deposit in the related Principal Fund an amount sufficient to make up such deficiency. Subject to the conditions of the Trust Agreement, moneys on deposit in any Certificate Reserve Fund will be withdrawn and applied by the Trustee for the final payment on any Outstanding Certificates and then to pay any amounts owing to any related Credit Provider, Liquidity Provider or Qualified Swap Provider.

The Trust Agreement provides that if at any time the aggregate balance in all Certificate Reserve Funds shall be reduced below the Certificate Reserve Fund Requirement, the first Base Rental Payments thereafter payable by the City under the Sublease and not needed to pay the interest and principal components of the Certificates on the next Interest Payment Date, Principal Payment Date or Mandatory Sinking Account Payment Date shall be used to increase the aggregate balance in the Certificate Reserve Funds to such required Certificate Reserve Fund Requirement. The Trust Agreement further provides that if after the payment of principal and interest on any Interest Payment Date, the aggregate balance in the Certificate Reserve Funds is in excess of the Certificate Reserve Fund Requirement, the Trustee will, subject to certain investment requirements, transfer such excess to each Base Rental Payment Fund pro rata, based on the principal amount represented by the related Outstanding Certificates. At the

termination of the Sublease in accordance with its terms, any balance remaining in any Certificate Reserve Fund, subject to the last sentence in the immediately preceding paragraph, shall be released and may be transferred to such other fund or account of the City, or otherwise used by the City for any other lawful purposes, as the City may direct. For purposes of determining the amount on deposit in each Certificate Reserve Fund, all investments shall annually be valued at the cost thereof (exclusive of accrued but unpaid interest, but inclusive of commissions). **The City shall have no obligation to replenish any Certificate Reserve Fund, except, as described in this paragraph, from Base Rental Payments not needed to pay the interest and principal components of the Certificates.**

The City, upon notice to the Rating Agencies and the applicable Credit Provider, may substitute one or more Reserve Facilities from a financial institution, the long-term unsecured obligations of which are rated not less than “Aa” by Moody’s and “AA” by S&P in substitution for or in place of all or any portion of any cash then on deposit in a Certificate Reserve Fund, under the terms of which the Trustee is unconditionally entitled to draw amounts when required under the Trust Agreement. “Reserve Facility” means one or more letters of credit, lines of credit, liquidity facilities or other credit enhancement issued by a financial institution or other form of credit enhancement and any replacements thereto, including, but not limited to insurance, surety bonds and guarantees delivered to the Trustee which alone or in the aggregate, together with the cash in the Certificate Reserve Funds, provides for satisfaction of the Certificate Reserve Fund Requirement in accordance with the Trust Agreement. See APPENDIX B – “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—The Trust Agreement—Certificate Reserve Fund” for a summary of the procedures the Trustee will follow if all or a portion of the Certificate Reserve Fund Requirement is satisfied by one or more Reserve Facilities.

Notwithstanding anything in the Trust Agreement to the contrary, all Certificate Reserve Funds shall be deemed to be one fund which fund secures and is pledged to the payment of all Certificates and to the obligations owing to each Credit Provider, Liquidity Provider and Qualified Swap Provider.

Insurance

The Sublease requires the City to maintain specified insurance coverage with respect to the Leased Property, including title insurance, property damage insurance, use and occupancy insurance, workers’ compensation insurance and public liability insurance. See APPENDIX B – “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—The Sublease—Insurance.” The insurance required by the Sublease is part of the City’s overall risk management program described under “THE CITY—Insurance.” The City believes that its current risk management program satisfies the requirements of the Sublease.

As an alternative to providing the workers’ compensation insurance and public entity liability insurance required by the Sublease, the City may provide a self-insurance or self-funding method or plan of protection for any part or all of the requirements for such insurance and, through such a plan or method, provide for deductible or retention amounts greater than those contemplated by the Sublease. Any such self-insurance or self-funding maintained by the City will comply with certain terms set forth in the Sublease.

The City will collect, adjust and receive all moneys which may become due and payable under any insurance against loss or damage to the Leased Property and use and occupancy insurance, may compromise any and all claims thereunder and will transfer the proceeds of such insurance to the Trustee for application as provided in the Sublease or in the Trust Agreement. The Trustee will not be responsible for the sufficiency of any insurance required by the Sublease. The Trustee will be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the City.

The Sublease provides that the required use and occupancy insurance may be part of the insurance for loss or damage to the Leased Property; provided that the City may apply amounts payable for the loss of use and occupancy only to make Base Rental Payments.

Substitution, Addition or Removal of Leased Property

The City may amend the Sublease and the Lease to substitute real property and/or improvements (the “Substituted Property”) for existing Leased Property, to add real property and/or improvements (the “Additional Property”) or to remove real property or improvements from the definition of Leased Property, upon compliance with all of the conditions set forth in the Sublease. After a Substitution or Removal, the part of the Leased Property for which the Substitution or Removal has been effected will be released from the leasehold under the Sublease and under the Lease.

The City will be required to deliver to the Authority, each Qualified Swap Provider and the Trustee: (i) a certificate of the City containing a description of all or part of the Leased Property to be released and, in the event of a Substitution or Addition, a description of the Substituted Property to be substituted in its place or the Additional Property to be added, as the case may be; (ii) a certificate of the City stating that the annual fair rental value of the Leased Property after a Substitution, Addition or Removal, in each year during the remaining term of the Sublease, is, with respect to a Substitution or Removal, at least equal to the maximum annual Base Rental Payments attributable to the Leased Property prior to said Substitution or Removal, or, with respect to an Addition, at least equal to the maximum annual Base Rental Payments attributable to the Leased Property after such Addition, as determined by the City on the basis of an appraisal of the Leased Property after said Substitution, Addition or Removal, conducted by a member of the American Institute of Real Estate Appraisers or the American Society of Appraisers designated by the City; (iii) an opinion of Counsel to the effect that the amendments to the Sublease and the Lease have been duly authorized, executed and delivered and constitute the valid and binding obligations of the City and the Authority enforceable in accordance with their terms; (iv) in the event of a Substitution or Addition, a policy of title insurance in an amount equal to the same proportion of the principal amount as the principal portion of Base Rental Payments for the Substituted or Additional Property, as the case may be, bears to the total principal portion of Base Rental Payments, insuring the City’s leasehold interest in the Substituted Property or Additional Property, as the case may be (except any portion thereof which is not real property), subject to Permitted Encumbrances, together with an endorsement thereto making said policy payable to the Trustee for the benefit of the Owners of the Certificates; (v) in the event of a Substitution or an Addition, an opinion of the City Attorney to the effect that the exceptions, if any, contained in the title insurance policy referred to (iv) above do not interfere with the beneficial use and occupancy of the Substituted Property or Additional Property, as the case may be, described in such policy by the City for the purposes of leasing or using the Substituted Property or Additional Property, as the case may be; (vi) an opinion of Counsel that the Substitution, Addition or Removal does not cause the interest represented by the Certificates to be includable in gross income of the Owners thereof for federal income tax purposes; (vii) a Certificate of the City stating that the City has complied with the insurance requirements of the Sublease with respect to any Substituted Property or Additional Property; (viii) evidence that the City has delivered to each of the Rating Agencies then rating any Certificates and each Credit Provider copies of the certificates and appraisal described in (i) and (ii) above; and (ix) in the case of a Substitution or Removal, written consent of each Credit Provider to such Substitution or Removal. See APPENDIX B – “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – The Sublease” herein.

Damage, Destruction, Title Defect and Condemnation; Use of Net Proceeds

If prior to the termination of the term of the Sublease: (a) the Leased Property or any portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty; or (b) title to, or the

temporary use of, the Leased Property, or any portion thereof, or the estate of the City or the Authority in the Leased Property, or any portion thereof, is defective or will be taken under the exercise of the power of eminent domain by any governmental body, or by any person, or firm or corporation acting under governmental authority, then the City and the Authority will cause the net proceeds of any insurance claim or condemnation award to be applied to the prompt repair, restoration, modification, improvement or replacement of the damaged, destroyed, defective or condemned portion of the Leased Property, and any balance of the net proceeds remaining after such work has been completed will be paid to the City; provided that the City, at its option, and provided that the proceeds of such insurance or condemnation award together with any other moneys then available for the purpose are at least sufficient to prepay the aggregate annual amount of principal and interest represented by Outstanding Certificates attributable to the portion of the Leased Property so destroyed, damaged, defective or condemned (determined by reference to the proportion which the annual fair rental value of the destroyed, damaged, defective or condemned portion thereof bears to the annual fair rental value of the entire Leased Property), may elect not to repair, reconstruct or replace the damaged, destroyed, defective or condemned portion of the Leased Property and thereupon will cause said proceeds to be used for the prepayment of Outstanding Certificates pursuant to the Trust Agreement. In the event that the proceeds, if any, of said insurance or condemnation award are insufficient either: (i) to repair, rebuild or replace the Leased Property so that the fair rental value of the Leased Property would be at least equal to the Base Rental Payments; or (ii) to prepay the Outstanding Certificates, together with any payment then due to any Qualified Swap Provider, as provided above, then the City may, in its sole discretion, budget and appropriate an amount necessary to effect such repair, rebuilding or replacement or prepayment; provided that the failure of the City to so budget and/or appropriate will not be a breach of or default under the Sublease.

Rental Abatement

Except to the extent of (i) amounts held by the Trustee in any Base Rental Payment Fund or any Certificate Reserve Fund; (ii) amounts received in respect of use and occupancy insurance; and (iii) amounts, if any, otherwise legally available to the Trustee for payments in respect of the Certificates, or to any Credit Provider, Liquidity Provider or Qualified Swap Provider, during any period in which, by reason of material damage, destruction, title defect or condemnation there is substantial interference with the use and possession by the City of any portion of the Leased Property, rental payments due under the Sublease will be abated to the extent that the annual fair rental value of the portion of the Leased Property in respect of which there is no substantial interference is less than the annual Base Rental Payments and Additional Rental, in which case rental payments will be abated only by an amount equal to the difference. In the event that rental is abated, in whole or in part, due to damage, destruction, title defect or condemnation of any part of the Leased Property and the City is unable to repair, replace or rebuild the Leased Property from the proceeds of insurance, if any, the City agrees to apply for and to use its best efforts to obtain any appropriate state and/or federal disaster relief in order to obtain funds to repair, replace or rebuild the Leased Property. See “RISK FACTORS—Rental Abatement.”

OUTSTANDING INDEBTEDNESS

Other Certificates

Upon the execution and delivery of the 2008B Certificates there will remain Outstanding three Series of Certificates, the 1993 Certificates, the 2003 Certificates and the 2006A Certificates, in the aggregate principal amount of \$ _____ (the “Prior Certificates”) and two Swap Agreements in effect. Upon the delivery of the 2008B Certificates, the Trustee will have delivered another Series of Certificates under the Trust Agreement consisting of \$ _____ principal amount of Variable Rate Demand Refunding Certificates of Participation, Series 2008A (the “2008A Certificates” and, together with the 2008B Certificates, the “2008 Certificates”).

[After the execution and delivery of the 2008 Certificates, the City anticipates the refunding of the 2003 Certificates.]

Additional Certificates

In addition to the 1993 Certificates, 2003 Certificates, 2006A Certificates and 2008 Certificates, the City, the Authority and the Trustee may, with prior notice to each Credit Provider, by execution of a Supplemental Trust Agreement without the consent of the Owners, provide for the delivery of Additional Certificates representing additional Base Rental Payments. See APPENDIX B – “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—The Trust Agreement.” Additional Certificates executed and delivered under the Trust Agreement will be on a parity with the Outstanding 1993 Certificates, 2003 Certificates, 2006A Certificates and 2008 Certificates and each Owner thereof will have the same rights upon an Event of Default as the Owner of any other Certificate executed and delivered under the Trust Agreement, except as any such rights of the Owners of any Additional Certificates may be limited as provided in any Supplemental Trust Agreement under which such Additional Certificates are executed and delivered.

Swap Agreements

In connection with the delivery of the 2003 Certificates, the City entered into the 2003 Swap Agreement with Ambac Assurance Corporation (the “2003 Swap Provider”). In general, the 2003 Swap Agreement provides that, on a net payment basis, the 2003 Swap Provider is obligated to pay to the City a variable interest rate equal to the variable interest rate payable with the respect to the 2003 Certificates and the City is obligated to pay to the 2003 Swap Provider a fixed interest rate, in each case calculated on a notional principal amount generally equal to the outstanding principal amount of the 2003 Certificates. Upon the occurrence of certain events, such variable rate may be converted to an alternative floating rate. In connection with the delivery of the 2006B Certificates, the City entered into the 2006 Swap Agreement with Depfa Bank plc (the “2006 Swap Provider”). In general, the 2006 Swap Agreement provides that the 2006 Swap Provider is obligated to pay to the City a variable interest rate based on one month LIBOR and the City is obligated to pay to the 2006 Swap Provider a fixed interest rate, in each case calculated on an initial notional amount of \$133,000,000 which notional amount declines proportionately with the outstanding principal amount of the 2006B Certificates.

The 2003 Swap Agreement and the 2006 Swap Agreement provide protection to the City against interest rate fluctuations arising from the variable interest rate applicable to the 2003 Certificates and the 2006B Certificates. However, such Swap Agreements do not alter the City’s obligation with respect to the payment of principal and interest with respect to the related Series of Certificates.

The City may at any time enter into a Qualified Swap with respect to one or more Series of Certificates. However, any such Qualified Swap requires approval by any Credit Provider providing Credit Enhancement with respect to a Series of Certificates. “Qualified Swap” means any financial arrangement (i) that is entered into by the City with an entity that is a Qualified Swap Provider at the time the arrangement is entered into; (ii) which provides that the City will pay to such entity an amount based on the interest accruing at a fixed rate on an amount equal to the principal amount of an Outstanding Series, and that such entity will pay to the City an amount based on the interest accruing on the same amount, at a variable rate of interest computed according to a formula set forth in such arrangement (which may be, but need not be, the same as the actual rate of interest payable with respect to such Series) or that one will pay to the other any net amount due under such arrangement; and (iii) which has been designated in writing to the Trustee by the Treasurer or Director of Finance of the City as a Qualified Swap with respect to a Series. “Qualified Swap Provider” means an entity whose senior long term debt obligations, other senior unsecured long term obligations or claims paying ability or whose payment

obligations under a Qualified Swap are guaranteed by an entity whose senior long term debt obligations, other senior unsecured long term obligations or claims paying ability are rated (at the time the subject Qualified Swap is entered into) at least as high as the “Aa” rating category by Moody’s and the “AA” rating category by S&P (without regard to any modifiers within such category), or the equivalent thereof by any successor thereto. The Authority and the City have pledged and transferred to the Trustee, for the benefit of the Owners and each Credit Provider, Liquidity Provider and Qualified Swap Provider, all of their right, title and interest in and to all amounts on deposit from time to time in the funds and accounts established under the Trust Agreement (other than the Rebate Fund) and in and to the Base Rental Payments and all Certificate Reserve Funds secure and are pledged to the payment of all Series and to the obligations owing to each Credit Provider, Liquidity Provider and Qualified Swap Provider. See “—Pledge of Base Rental Payments and Additional Rental; Base Rental Payment Fund” and “—Certificate Reserve Funds.”

Amounts owed by the City to a Qualified Swap Provider under a Qualified Swap are payable from the Base Rental Payments owed under the Sublease. The City’s obligation to make such payments is subject to the conditions applicable to its obligation to make Base Rental Payments as set forth in the Sublease. Amounts paid by the City under a Qualified Swap are to be deposited into the Base Rental Payment Fund established for the related Series of Certificates under the Trust Agreement and disbursed by the Trustee when required. Qualified Swaps provide for early termination in certain circumstances, which could result in the City being required to make an unanticipated termination payment which could be substantial. Such termination payment, if due, is payable by the City as a Base Rental Payment but the City’s obligation to make such payment is generally subject to the same conditions applicable to its obligation to make Base Rental Payments as set forth in the Sublease. Since a Qualified Swap is subject to termination upon the occurrence of a number of events, no assurance can be given that any Qualified Swap will continue to be in existence. Accordingly, the Qualified Swaps do not provide a source of credit or security for the related Series of Certificates.

The City does not contemplate entering into a Qualified Swap with respect to the 2008B Certificates.

BASE RENTAL PAYMENTS

While the Base Rental Payments are payable from any legally available source of funds, the City expects to make such payments from its General Fund to the extent revenues of affiliated entities operating portions of the Leased Property are not available. The principal affiliated entity is the Pasadena Center Operating Company, a California nonprofit public corporation, which operates the Pasadena Civic Auditorium and the Pasadena Conference Center. In addition to the Sublease, the City has entered into a number of other agreements which provide that the City make rental and other payments from the General Fund and other available sources of funds. See generally Notes [10] through [17] of the Notes to Basic Financial Statements in APPENDIX A – “AUDITED BASIC FINANCIAL STATEMENTS OF THE CITY OF PASADENA FOR FISCAL YEAR ENDED JUNE 30, 2007.” In addition in February 2006 the City entered into a Sublease, dated as of February 1, 2006, with the Authority with respect to the Authority’s \$47,300,000 aggregate principal amount of Variable Rate Demand Lease Revenue Bonds (Rose Bowl Refinancing and Improvement Projects), Series 2006 to refund certain obligations and finance improvements to City Hall, the Rose Bowl and other City facilities. The City is obligated to make the payments required by all such agreements relating to the Rose Bowl from its General Fund to the extent revenues of the Rose Bowl Operating Company are not available. See “CITY FINANCIAL INFORMATION” and APPENDIX A – “AUDITED BASIC FINANCIAL STATEMENTS OF THE CITY OF PASADENA FOR FISCAL YEAR ENDED JUNE 30, 2007.”

The following table lists the scheduled Base Rental Payments with respect to the Prior Certificates, the 2003 Swap Agreement and the 2008 Certificates.

**CITY OF PASADENA
BASE RENTAL PAYMENT OBLIGATIONS FOR CERTIFICATES⁽¹⁾**

<u>Fiscal Year Ended June 30</u>	<u>Prior Certificates⁽²⁾</u>	<u>2008A Certificates</u>	<u>2008B Certificates</u>	<u>Aggregate Base Rental Payments</u>
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Total

⁽¹⁾ Does not include any Additional Rental, any termination payments with respect to the 2003 Swap Agreement or fees or expenses of trustees, remarketing agents, auction agents, broker-dealers or other professionals in connection with the Certificates.

⁽²⁾ Includes fixed payment by City under the 2003 Swap Agreement of 4.12% per annum and assumes variable rate received by the City under the 2003 Swap Agreement will equal the interest represented by the 2003 Certificates.

[CERTIFICATE INSURANCE]

[To Come]

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the 2008B Certificates are as follows:

Sources:

Principal Amount
[Less/Plus] Original Issue [Discount/Premium]
Less Underwriter's Discount

Total Sources

Uses:

Deposit to Prepayment Fund
Deposit to 2008B Certificate Reserve Fund⁽¹⁾
Deposit to Cost of Issuance Fund⁽²⁾

Total Uses

⁽¹⁾ Amount necessary to ensure that amounts in all Certificate Reserve Funds under the Trust Agreement satisfy the Certificate Reserve Requirement.

⁽²⁾ The amount deposited in the Cost of Issuance Fund will be used to pay the premium for [the Insurance Policy,] legal fees, printing costs, rating agency fees, title insurance premiums, Underwriter's discount and other miscellaneous expenses.

THE LEASED PROPERTY

Under the Sublease, the City is obligated to make Base Rental Payments for the occupancy and use of the Leased Property. The Leased Property consists of: (i) the Civic Auditorium, (ii) Fire Station No. 33, (iii) Fire Station No. 31, (iv) the Rose Bowl Aquatics Center, (v) the Pasadena City Hall, (vi) the Pasadena Community Health Center (the "Health Center"), (vii) the Corporation Yards, (viii) the Hale Building and (ix) the Conference Center, each described below.

Civic Auditorium

The Civic Auditorium as well as the underlying real property constitute a portion of the Leased Property. The Civic Auditorium is located at 300 East Green Street on three acres of real property and is a prominent building in the Pasadena Civic Center area. The facility was built from 1930 to 1932 in an Italian Renaissance design. The facility has three distinct sections: the pavilion, the auditorium and the exhibition hall. The pavilion section houses the ticket offices, main foyer and lobby, administrative offices and a large lecture hall. The auditorium seats over 3,000 people and has excellent acoustics. The walls have a series of panels prepared from drawings by Raphael, and its ceilings feature decorative plaster and are hand painted. The exhibition hall houses an Olympic-size ice skating rink that is fully operational year-round.

Fire Station No. 33

Fire Station No. 33 as well as the underlying real property constitute a portion of the Leased Property. Fire Station No. 33 was completed in 1950 and is located at 515 North Lake Avenue. The fire station is approximately 10,400 square feet. There are two floors above ground and one floor below ground. Approximately 75% of the space is occupied by fire-fighting equipment and approximately 25%

is office and living space. Other structures on this parcel include a classroom and training tower facility as well as a service garage facility. The parcel is zoned commercial and is L-shaped in nature.

Fire Station No. 31

Fire Station No. 31 and the improvements constructed thereon as well as the underlying real property constitute a portion of the Leased Property. The fire station is a two-story, masonry and glass structure, which was completed in 1991 and is located at 145 South Fair Oaks Avenue bounded by Dayton Street on the north and Valley Street on the south. The site is 13,122 square feet. The facility has a total square footage of 8,966. It houses the apparatus room, station offices, lobby area, kitchen, dining room, restroom, living room, sleeping quarters and study areas. The facility has three bays and houses one ladder truck and one engine company. Five to six fire personnel are assigned to this facility.

Rose Bowl Aquatics Center

The improvements and underlying real property comprising the Rose Bowl Aquatics Center constitute a portion of the Leased Property. The improvements were completed during the summer of 1990. They consist of an aquatics facility, located near the Rose Bowl at Arroyo Boulevard north of Seco Street, which includes two Olympic-size swimming pools, one of which has competition diving facilities, a small children's pool, a clubhouse and appropriate landscaping.

Pasadena City Hall

The improvements and underlying real property comprising City Hall constitute a portion of the Leased Property. City Hall is the central feature of Pasadena's Civic Center, located on Garfield Avenue. Completed in 1927, this three-story building is made of reinforced concrete and features a patio in the center, accented by landscaping of flowers, trees and a fountain. It is a rectangular edifice outlining a spacious court. The real property underlying City Hall consists of 2.79 acres of land. The east side is a one-story arcade; the other three sides are three stories high, with small towers at each corner and a dome over the west entrance. The dome is a massive circular tower rising perpendicular for six stories. Atop the dome is the lantern, a column-supported cupola 41 feet high, surmounted by an urn and ball. The highest point is 206 feet above ground.

During initial construction, the contractor was required to guarantee that City Hall would meet a compression test of 2,000 pounds per square inch for 28 days, considerably above the usual specification for that era. With the proceeds of the 2004 Certificates, the City seismically retrofitted City Hall by: (i) installing a base isolation system, involving the strengthening and connecting of the existing building foundations and creating a "moat" (building movement space) around the entire perimeter of the building to allow for ground movement; (ii) structurally tying together the building's walls and columns before they are separated from their footing by flexible isolators designed to carry the building loads and laterally cushion the building from earthquake forces; and (iii) creating a new east basement and structural east arcade along Euclid Avenue to connect the north and south wings of the building as part of the structural solution.

City Hall underwent a general rehabilitation which began in June 2003, including the addition of new access ramps at both the Garfield and Euclid entries as well as a replacement of the stair case at the new east side. Courtyard walkways requiring removal for structural work were replaced. Some planting and tree removal were required at the interior courtyard and the perimeter of the building to effect the "moat" work. The main exterior work included patching and painting of exterior plaster, roof and gutter repairs, cleaning and repair of exterior cast stone elements, window rehabilitation, door repair, accessibility upgrades, cleaning and restoration of the clock, skylight cleaning and repairs and installation

of a new skylight at the historic northwest corner location. With respect to the building's interior, all original historic interior spaces and features were rehabilitated. Existing historic elevator cabs were restored and upgraded and new elevators were installed to replace existing council elevators and provide accessibility to the fourth floor and fifth level observation deck in the dome. Some original restrooms were restored and new restrooms were also added. The entire building was upgraded to meet life safety and accessibility requirements. Finally, new mechanical, plumbing, electrical and fire/life safety systems were installed.

The City reoccupied the renovated City Hall in April 2007 when the rehabilitation was completed.

Health Center

The Health Center property is located at 1845 North Fair Oaks Avenue and consists of three separate buildings. The buildings were constructed in 1929, 1956 and 1976, respectively. The gross square area of the three buildings is approximately 61,000 square feet. The City acquired the land and the buildings in December 1993 at a cost of approximately \$1,700,000. The Health Center was renovated in 1996.

Corporation Yards

The real property underlying the City's Corporation Yards consists of approximately 23.61 acres located at 233 West Mountain Street. The Corporation Yards are used in connection with the operation and storage of certain vehicles and equipment of the City.

Hale Building

The Hale Building is an approximately 32,500 square foot building and is located at 281 Ramona Street. The land on which the Hale Building is located totals 25,596 square feet. The building, which now houses the City's Permit Center, was built in 1929 for the Southern California Gas Company. After acquiring the facility in 1986, the City restored the historic 1929 lobby of the Hale Building, which now serves as the Permit Center service counter. The two-story building features the original decorative ceiling, unusual painted plaster walls (hidden for years by wood paneling) and the original tile flooring. The building is listed in the National Register of Historic Places as part of the Civic Center district of the City.

Conference Center

The Pasadena Conference Center is located on a 9.15-acre, U-shaped site surrounding the City's Civic Auditorium on three sides and consists of an exhibit hall building containing 32,000 square feet, a two level convention and conference center building of approximately 28,000 square feet for meetings, a 900-space underground parking garage and two plazas occupying the open spaces of the complex. The Conference Center is located at 300 East Green Street and is situated in the City's Downtown Redevelopment Project Area encompassing the heart of the central business district.

THE AUTHORITY

The Authority is a joint exercise of powers authority created by and existing under the laws of the State established pursuant to that certain Joint Exercise of Powers Agreement, dated April 24, 2000, between the City and the Pasadena Community Development Commission (the "Commission"). The Authority is a public entity separate from the City and the Commission. The Authority is administered by

a Governing Board which consists of the members of the City Council. THE AUTHORITY IS NOT OBLIGATED IN ANY MANNER WHATSOEVER TO MAKE BASE RENTAL PAYMENTS OR ADDITIONAL RENTAL PAYMENTS. THE AUTHORITY HAS NO TAXING POWER.

THE CITY

General

The City of Pasadena 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 approximately 23 square miles and is located in the County of Los Angeles 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 South Pasadena and San Marino, on the east by Arcadia and Sierra Madre, and on the north by the unincorporated community of Altadena and the San Gabriel Mountains.

The City provides its approximately 146,000 residents with power, water and refuse services. The Southern California Gas Company supplies natural gas, and the County provides sewage services.

While the City consistently receives international recognition for the Rose Parade and Rose Bowl events, the City has achieved significant success in blending urban amenities with suburban neighborhoods. Engineering, finance and health care comprise the primary industry sectors. In addition, the academic and research pursuits of the California Institute of Technology, the Jet Propulsion Laboratory and the Art Center College of Design bring a unique combination of resources to the City. The City's downtown continues to serve as the corporate and entertainment center for the San Gabriel Valley's 1.8 million residents.

City Council

All powers of the City are vested in the City Council which is empowered to carry out the provisions of the City Charter and perform all duties and obligations of the City as imposed by State law. The City has an eight-member City Council comprised of members elected in seven City Council districts and a City-wide elected mayor. Each Council member and the mayor are elected for four-year staggered terms. The Council members elect the vice-mayor from their membership, who traditionally serves two consecutive one-year terms.

City Staff

Bernard K. Melekian, was appointed City Manager effective January 8, 2008 upon the retirement of Cynthia J. Kurtz. Previously, Bernard K. Melekian served as the Pasadena Chief of Police beginning on April 30, 1996. Prior to joining the City of Pasadena, Chief Melekian served with the Santa Monica Police Department for 23 years. He was awarded the Medal of Valor in 1978 and the Medal of Courage in 1980.

Chief Melekian served as the President for the Los Angeles County Police Chiefs' Association from January 1, 2000 to December 31, 2001. From 2000 to 2002 he served as Chair of Attorney General's Blue Ribbon Committee S.W.A.T. Team Task Force, and authored the Commission on Special Tactics (S.W.A.T.) final report. He was selected by Chief Bratton to serve on the SWAT panel to make recommendations to the Los Angeles Police Department with respect to that unit. He served on the

national Board of Directors for the Police Executive Research Forum (PERF) from 2002 until 2006. He also serves as a senior advisor for the Police Assessment Resource Center in Los Angeles.

Chief Melekian holds a Bachelor's degree in American History and a Master's degree in Public Administration, both from California State University, Northridge. He is a graduate of the 150th session of the FBI National Academy and the 20th class of the California Command College. He was selected as the valedictorian of his Command College class. He is currently a Doctoral candidate in Public Policy at the University of Southern California.

Stephen C. Stark, Director of Finance, joined the City in September 2006. His responsibilities include management of the financial affairs of the City and the Commission, which include: preparation of the annual operating budget; preparation of the Comprehensive Annual Financial Report; purchasing; collections; workers' compensation; general liability; payroll; employee benefits; information technology; internal audit; investments; debt management and financing of major City and Commission capital improvements. Prior to coming to Pasadena, he served as Chief Financial Officer for the City of Santa Monica, Director of Administrative Services for the City of Santa Clarita and was Director of Management Services and Internal Auditor for the City of Fontana. Prior to that, he spent 11 years in Arlington, Texas, where he was Internal Audit Manager and Assistant Internal Auditor. Steve earned a bachelor's degree in Business Administration from West Texas University. He is also a graduate of the Government Finance Officers Association (GFOA) Advance Government Finance Institute and has won numerous GFOA and California Society of Municipal Finance Officers' awards. Stark is a member of GFOA, a Certified California Municipal Treasurer, and a Certified Government Financial Manager.

Michele Beal Bagneris, City Attorney, was named the City Attorney in May 1997. At that time, she was a shareholder in the law firm of Richards, Watson & Gershon, where she specialized in public law since joining the firm in 1983. Initially, while serving as City Attorney, she continued to practice law as a member of the law firm, advising public clients in a wide range of areas, including land use, general advisory matters, litigation, labor and employment, code enforcement and nuisance abatement matters. She also served as the City Attorney for the City of Monrovia from 1992 through September 1999 when she became the City Attorney for Pasadena. She currently serves in that position and is also the City Prosecutor. As the City Attorney/City Prosecutor, she is responsible for managing all legal matters for the City, including supervision of in-house lawyers and any outside counsel engaged to advise the City. Ms. Bagneris received her Bachelor's Degree in International Relations from Stanford University in 1980 and her Juris Doctorate Degree in 1983 from Boalt Hall School of Law, University of California, Berkeley. She is active in professional and community organizations including past President of the City Attorney's Association of Los Angeles County; Los Angeles County Bar Association; American Bar Association; Langston Bar Association; Black Women Lawyers Association of Los Angeles; and Henry McNeal Turner A.M.E. Church. She is admitted to practice law in California State Court, United States District Court and the U.S. Court of Appeals, Ninth Circuit.