

CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH OF THE CITY AND THE BANK FURTHER AGREES THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT JURY. WITHOUT LIMITING THE FOREGOING, TO THE EXTENT PERMITTED BY LAW, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT, THE LETTER OF CREDIT, THE CUSTODIAN AGREEMENT ANY OTHER DOCUMENT DELIVERED IN CONNECTION HERewith OR THEREWITH OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND ANY OTHER DOCUMENTS DELIVERED IN CONNECTION THEREWITH.

(b) In the event the waiver of jury trial as set forth in subsection (a) of this Section shall be declared void or unenforceable, each of the City and the Bank agrees to refer the dispute to a judicial referee in accordance with the provisions of Section 638 *et seq.* of the California Code of Civil Procedure.

#### Section 9.5 Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and shall inure to the benefit of the City and the Bank and their respective successors and assigns, except that City may not assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the Bank. Except as provided subsections (b) and (c) below, the Bank may not assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the City.

(b) The Bank may at any time assign to one or more banks or other institutions (each an "Assignee") all, or a proportionate part of all, of its rights (but not its obligations) under this Agreement, the Letter of Credit and the Custodian Agreement. The Bank may at any time grant to one or more banks or other institutions (each a "Participant") participating interests in the Drawings under the Letter of Credit and the reimbursement obligations, Liquidity Advances and Term Loans arising therefrom. In the event of any such grant by the Bank of a participating interest to a Participant, whether or not upon notice to the City, the Bank shall remain responsible for the performance of its obligations hereunder and under the Letter of Credit, and the City shall continue to deal solely and directly with the Bank in connection with the Bank's rights and obligations under this Agreement and the Letter of Credit. Any agreement pursuant to which the Bank may grant such a participating interest shall provide that the Bank shall retain the sole right and responsibility to enforce the obligations of the City hereunder and under the Related Documents, including, without limitation, the right to approve any amendment, modification or waiver of any provision of this Agreement or any Related Document; provided that such participation agreement may provide that, without first obtaining the consent of the Participant thereunder, the Bank will not agree to any modification, amendment or waiver of this Agreement or the Trust Agreement which (i) increases or decreases the stated amount of the Letter of Credit, (ii) reduces the principal of or interest on any unreimbursed Drawing or Liquidity Advance or Term Loan owing to the Bank, (iii) postpones or

changes the date fixed for any payment of principal of or interest on any unreimbursed Drawing or Liquidity Advance or Term Loan or fees owing to the Bank, (iv) decreases the formula by which the fees for the Letter of Credit are calculated or (v) releases the Lien of the Trustee over the Trust Estate. The City agrees that each Participant shall be entitled to the benefits of Sections 3.3, 3.5(b) and 4.2 hereof with respect to its participating interest, provided that no Participant or other transferee of any Bank's rights shall be entitled to receive any greater payment than the Bank would have been entitled to receive with respect to the rights participated or transferred.

(c) The Bank may at any time assign all or any portion of its rights under this Agreement and the Letter of Credit to a Federal Reserve Bank. No such assignment by the Bank shall release the Bank from its obligations hereunder or under the Letter of Credit.

Section 9.6 Severability of Provisions. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 9.7 Amendments; Waivers. None of the provisions of this Agreement may be amended, changed, waived, discharged or terminated except by an instrument in writing signed and duly executed by the parties.

Section 9.8 Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute one and the same Agreement. This Agreement constitutes the entire agreement and understanding between the parties hereto and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

Section 9.9 Headings; Table of Contents. Article and Section headings in this Agreement and the Table of Contents are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

\* \* \*

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be duly executed and delivered by its respective officer thereunto duly authorized as of the date first written above.

Attest:

CITY OF PASADENA

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

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

PASADENA PUBLIC FINANCING AUTHORITY

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

BANK OF AMERICA, N.A.

By \_\_\_\_\_  
Title: Senior Vice President

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

**CERTIFICATE PURCHASE AGREEMENT**

April \_\_, 2008

City of Pasadena  
100 North Garfield Avenue  
Pasadena, California 91109

Pasadena Public Financing Authority  
c/o City of Pasadena  
100 North Garfield Avenue  
Pasadena, California 91109

Ladies and Gentlemen:

The undersigned, Banc of America Securities LLC (the "Underwriter"), hereby offers to enter into this Certificate Purchase Agreement (this "Purchase Agreement") with the City of Pasadena, California (the "City") and the Pasadena Public Financing Authority (the "Authority") for the purchase by the Underwriter of the City's Variable Rate Demand Refunding Certificates of Participation, Series 2008A (the "Certificates"). This offer is made subject to written acceptance by the City at or prior to 5:00 p.m., California time, on the date set forth above and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the City at any time prior to the acceptance hereof by the City. Upon the City's and the Authority's written acceptance of this offer, the Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the City and the Underwriter. The Underwriter has been authorized to execute this Purchase Agreement and to take any action hereunder by and on behalf of the Underwriter. All capitalized terms used herein not otherwise defined herein shall have the respective meanings ascribed thereto in the Trust Agreement hereinafter described.

Section 1. Purchase and Sale. (a) Upon the terms and conditions and in reliance on the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to

purchase from the City, and the City hereby agrees to cause the Trustee (as hereinafter defined) to execute and deliver to the Underwriter, all (but not less than all) of the Certificates in the aggregate principal amount of \$\_\_\_\_\_ at a purchase price of \$\_\_\_\_\_ (representing the aggregate principal amount of such Certificates, less an Underwriter's discount of \$\_\_\_\_\_, less reimbursable expenses of the Underwriter of \$\_\_\_\_\_).

(b) The date of payment for and delivery of the Certificates and the other actions contemplated hereby to take place at the time of such payment and delivery, shall hereinafter be called the "Closing."

(c) The Certificates evidence and represent proportionate, undivided interests in Base Rental Payments to be made by the City pursuant to an Amended and Restated Sublease, dated as of January 1, 2003, as amended and supplemented, including by that certain Supplement No. 3 to Sublease, dated as of April 1, 2008 (collectively, the "Sublease"), by and between the City and the Pasadena Public Financing Authority (the "Authority"). The Sublease relates to certain land and improvements of the City (the "Leased Property") originally leased to the Authority pursuant to that certain Amended and Restated Lease Agreement, dated as of January 1, 2003, as amended and supplemented, including by that certain Supplement No. 3 to Lease Agreement, dated as of April 1, 2008 (collectively, the "Lease").

Section 2. The Certificates. The Certificates will be described in and will be executed, delivered and secured under and pursuant to an Amended and Restated Trust Agreement, dated as of January 1, 2003, as amended and supplemented, including by that certain Third Supplemental Trust Agreement, dated as of April 1, 2008 (collectively, the "Trust Agreement"), by and among the City, the Authority and The Bank of New York Trust Company, N.A., as trustee (the "Trustee"). The Authority will assign all of its rights, title and interest in and to the Sublease, including the right to receive Base Rental Payments to be made by the City under the Sublease, to the Trustee.

The Certificates shall be dated the date of delivery thereof, shall mature on \_\_\_\_\_ 1, 20\_\_ and shall accrue interest as described in the Trust Agreement and accrue interest during the Initial Interest Period at \_\_\_\_%. The Certificates are subject to mandatory tender upon conversion from one interest rate period to another, among other events. In connection with the execution and delivery of the Certificates, the City is also entering into a Reimbursement Agreement, dated as of April 1, 2008 (the "Reimbursement Agreement") with Bank of America, N.A. (the "Bank") under which the Bank will issue an irrevocable direct-pay letter of credit (the "Letter of Credit") to support the payment of the principal and interest represented by the Certificates and to purchase Certificates in certain circumstances as provided in the Trust Agreement. The City is also entering into a Remarketing Agreement, dated as of April 1, 2008 (the "Remarketing Agreement") with Banc of America Securities LLC (in such capacity, the "Remarketing Agent") in order to provide for the remarketing of any Certificates repurchased pursuant to a mandatory or optional tender as provided under the Trust Agreement.

The execution and delivery of the Certificates, the Sublease, the Lease, the Trust Agreement, the Reimbursement Agreement and the Remarketing Agreement have been authorized by that certain resolution of the City (the "City Resolution") and a certain resolution

of the Authority (the "Authority Resolution"). The Certificates shall be payable and shall be subject to prepayment as provided in the Trust Agreement.

The Sublease, the Lease, the Trust Agreement, the City Resolution, the Authority Resolution, the Reimbursement Agreement, the Remarketing Agreement and this Purchase Agreement are collectively referred to herein as the "Legal Documents."

Section 3. Official Statement and Other Documents.

(a) The City has delivered to the Underwriter, at such addresses as the Underwriter shall have specified, as many copies of the Official Statement dated April \_\_, 2008, relating to the Certificates (as supplemented and amended from time to time, the "Official Statement") as the Underwriter shall have reasonably requested as necessary to comply with the obligations of the Underwriter pursuant to the rules of the Municipal Securities Rulemaking Board.

(b) The City has authorized the approval of the Official Statement by execution thereof by a duly authorized officer of the City.

(c) The City hereby authorizes the use by the Underwriter of the Legal Documents and the Official Statement, including any supplements or amendments thereto, and the information contained in each of such documents, and all other documents, certificates and statements furnished by the City and the Underwriter, in connection with the public offering and sale of the Certificates. The City consents to the use by the Underwriter prior to the date hereof of the Official Statement in connection with the public offering of the Certificates.

Section 4. Closing. At 8:00 a.m., California time, on April \_\_, 2008, or at such other time or on such earlier or later date as may be mutually agreed upon by the City and the Underwriter (the "Closing Date"), the City will, subject to the terms and conditions hereof, deliver or cause to be delivered to the Underwriter the duly executed Certificates in book-entry form through the facilities of The Depository Trust Company and the other documents hereinafter mentioned. The Underwriter will accept the delivery of the Certificates and pay the purchase price of the Certificates as set forth in Section 1 hereof by check payable in clearinghouse funds to the order of the Trustee. Delivery and payment as aforesaid shall be made at the offices of Sidley Austin LLP ("Special Counsel") in Los Angeles, California, or such other place as shall have been mutually agreed upon by the City and the Underwriter.

Section 5. Public Offering. It shall be a condition to the City's obligations to sell and deliver the Certificates to the Underwriter and to the Underwriter's obligations to purchase, to accept delivery of and to pay for the Certificates that the entire principal amount of the Certificates shall be executed by the Trustee, sold and delivered by the City and purchased, accepted and paid for by the Underwriter at the Closing. Subject to the terms and conditions hereof, the Underwriter agrees to make a bona fide public offering of all of the Certificates at prices not in excess of the initial public offering prices set forth on the cover page of the Official Statement. The Underwriter reserves the right to change such initial public offering prices or yields as the Underwriter deems necessary following the initial public offering period in connection with the marketing of the Certificates and to offer and sell the Certificates to certain

dealers (including dealers depositing such Certificates into investment trusts) and others at prices lower than the initial offering price set forth on the cover page of the Official Statement. The Underwriter also reserves the right to (i) over allot or effect transactions which stabilize or maintain the market prices of the Certificates at levels above those which might otherwise prevail in the open market and (ii) discontinue such stabilizing, if commenced, at any time.

Section 6. Representations, Warranties and Agreements of the City. The City hereby represents, warrants and agrees as follows:

(a) Due Organization and Authority; Legal, Valid and Binding Obligations. The City is, and will be on the Closing Date, a charter city and municipal corporation duly organized and existing pursuant to the Constitution and laws of the State of California, and has all necessary power and authority to adopt the City Resolution and enter into and perform its duties under the Legal Documents to which the City is a party, and, when executed and delivered by the respective other parties thereto, such Legal Documents will constitute legal, valid and binding obligations of the City enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium or other similar laws or equitable principles relating to or limiting creditors' rights generally.

(b) No Conflict. The execution and delivery of the Legal Documents to which the City is a party, and compliance with the provisions thereof, have been duly authorized by all necessary official action on the part of the City and will not conflict with or constitute a breach of or default under any law, administrative regulation, court decree, resolution, charter, bylaw or any agreement to which the City is subject or by which it is bound or by which its properties may be affected, a consequence of which could be to materially and adversely affect the ability of the City to perform its obligations under the Legal Documents to which it is a party.

(c) No Litigation. To the best knowledge of the City, except as disclosed in the Official Statement, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, or public board or body is pending or threatened against the City, seeking to restrain or to enjoin the execution, sale or delivery of the Certificates, the payments to be made pursuant to the Sublease, the application of the proceeds thereof in accordance with the Trust Agreement, or in any way contesting or affecting the validity or enforceability of the Certificates, the Legal Documents, any other applicable agreements, or any action of the City contemplated by any of said documents, or in any way contesting the completeness or accuracy of the Official Statement or the powers of the City or its authority with respect to the Certificates, the Legal Documents, any other applicable agreements, or any action of the City contemplated by any of said documents, or which would adversely affect the exclusion of interest paid with respect to the Certificates from gross income for purposes of federal income taxation, or which if determined adversely to the City would have a material and adverse effect upon the City's ability to make the Base Rental Payments.

(d) Official Statement Correct and Complete. The Official Statement pertaining to the Certificates has been duly authorized by the City. The information contained in the Official Statement is true and correct in all material respects and such information (including any financial and statistical data) does not contain any untrue or misleading statement of a

material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under they were made, not misleading.

(e) Due Approval of Official Statement Distribution. By official action of the City prior to or concurrently with the execution hereof, the City has duly approved the distribution of the Official Statement, and has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in the Legal Documents to which the City is a party and the consummation by it of all other transactions contemplated by the Official Statement and the Legal Documents to which the City is a party, including this Purchase Agreement.

(f) Agreement to Notify Underwriter Regarding Official Statement. The City will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect any such amendment or supplement without the consent of the Underwriter, which consent shall not be unreasonably withheld. The City will advise the Underwriter promptly of the institution of any proceedings known to it seeking to prohibit or otherwise affect the use of the Official Statement in connection with the offering, sale or distribution of the Certificates.

(g) Agreement to Amend Official Statement. If at any time between the date of this Purchase Agreement and up to twenty-five (25) days following the “end of the underwriting period” (as defined in Section 15 hereof) an event occurs, of which the City has knowledge, which might or would cause the information relating to the City, its functions, duties and responsibilities contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the information therein, in the light of the circumstances under which it was presented, not misleading, the City will notify the Underwriter, and, if in the reasonable opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will cooperate with the Underwriter in the preparation of an amendment or supplement to the Official Statement in a form and in a manner approved by the Underwriter, provided all expenses thereby incurred will be paid for by the City.

(h) Amendments to Official Statement Correct and Complete. If the information relating to the City, its functions, duties and responsibilities contained in the Official Statement is amended or supplemented pursuant to the immediately preceding paragraph, at the time of each supplement or amendment thereto and (unless subsequently supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the date twenty-five (25) days after the end of the underwriting period, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will be true and correct in all material respects and, such information will not contain any untrue or misleading statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading.

(i) Blue Sky Cooperation. The City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the



Underwriter may reasonably request in order (1) to qualify the Certificates for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (2) to determine the eligibility of the Certificates for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualification in effect so long as required for distribution of the Certificates; provided, however, that the City shall not be required to execute a special or general consent to service of process in any jurisdiction in which it is not now so subject or to qualify to do business in any jurisdiction where it is not now so qualified.

(j) No Breach or Default. To the knowledge of the City, the City is not, and at the Closing Date will not be, in breach of or default under any law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or any applicable court or administrative decree or order or any loan agreement, note, bond, resolution, indenture, contract, agreement or other instrument to which the City is a party or is otherwise subject or bound and which would materially impair the ability of the City to perform its obligations under the Legal Documents to which the City is a party.

(k) Approvals and Authorization. To the knowledge of the City, all approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the City of its obligations hereunder and under the Legal Documents to which the City is a party and any other applicable agreements, have been obtained and are in full force and effect.

(l) No Action. The City will take no action and will cause no action to be taken that would cause the interest with respect to the Certificates to be includable in gross income for federal income tax purposes.

(m) No Violation of Debt Limitations. The City has not been, is not presently and as a result of the sale and delivery of the Certificates will not be in violation of any debt limitation, appropriation limitation or any other provision of the California Constitution.

(n) No Issuance of Obligations. Between the date hereof and the Closing Date, without the prior written consent of the Underwriter, the City will not have issued any bonds, notes or other obligations for borrowed money on behalf of the City except for such borrowings as may be described in or contemplated by the Official Statement.

(o) Certificates of City Officers. Any certificate signed by any authorized officer of the City and delivered to the Underwriter on or prior to the Closing in connection with the execution, sale and delivery of the Certificates and the execution and delivery of the Legal Documents shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein but not of the person signing the same.

Section 7. Representations, Warranties and Agreements of the Authority. The Authority hereby represents, warrants and agrees as follows:

(a) Due Organization and Authority; Legal, Valid and Binding Obligations.

The Authority is, and will be on the Closing Date, a joint exercise of powers authority duly organized and existing pursuant to the Constitution and laws of the State of California and has all necessary power and authority to adopt the Authority Resolution and enter into and perform its duties under the Legal Documents to which the Authority is a party, and, when executed and delivered by the respective other parties thereto, such Legal Documents will constitute legal, valid and binding obligations of the Authority enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium or other similar laws or equitable principals relating to or limiting creditors' rights generally.

(b) No Conflict. The execution and delivery of the Legal Documents to which the Authority is a party, and compliance with the provisions thereof, have been duly authorized by all necessary official action on the part of the Authority and will not conflict with or constitute a breach of or default under any law, administrative regulation, court decree, resolution, charter, bylaw or any agreement to which the Authority is subject or by which it is bound or by which its properties may be affected, a consequence of which could be to materially and adversely affect the ability of the Authority to performs its obligations under the Legal Documents to which it is a party.

(c) No Litigation. To the best knowledge of the Authority, except as disclosed in the Official Statement, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency or public board or body is pending or threatened against the Authority, seeking to restrain or to enjoin the execution, sale or delivery thereof in accordance with the Trust Agreement, or in any way contesting or affecting the validity or enforceability of the Certificates, the Legal Documents, any other applicable agreements, or any action of the Authority contemplated by any of said documents, or in any way contesting the accuracy of the Official Statement or the powers of the Authority or its authority with respect to the Certificates, the Legal Documents, any other applicable agreements, or any action of the Authority contemplated by any of said documents, or which would adversely affect the exclusion of interest paid with respect to the Certificates from gross income for purposes of federal income taxation, or which, if determined adversely to the Authority, would have a material and adverse effect upon the pledge of the Base Rental Payments.

Section 8. Closing Conditions. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the City and the Authority contained herein, the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing, the performance by the City of its obligations hereunder, and the opinions of Special Counsel, counsel to the Trustee, counsel to the City, counsel to the Authority, counsel to the Bank, and counsel to the Underwriter, described hereafter. Accordingly, the Underwriter's obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Certificates shall be conditioned upon and subject to (i) the performance by the City, the Authority, the Bank and the Trustee of their obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, (ii) the accuracy in all material respects, in the reasonable judgment of the Underwriter, of the representations and warranties of the City herein as of the date hereof and of the time of the Closing and the accuracy in all material respects of the representations, warranties

and agreements to be contained in the documents and instruments to be delivered at the Closing as of the time of the Closing, and (iii) shall also be subject to the following additional conditions:

(a) Bring-down of Representations. The representations and warranties of the City contained herein shall be true, complete and correct on the date hereof and on and as of the Closing Date, as if made on the Closing Date.

(b) Authorization, Execution and Delivery of Documents. As of the Closing Date, the Certificates, the Legal Documents and the Official Statement shall have been duly authorized, executed and delivered by the respective parties thereto, in substantially the forms heretofore submitted to the Underwriter with only such changes as shall have been agreed to in writing by the Underwriter, and said agreements shall be in full force and effect and not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, and there shall have been taken in connection therewith, with the execution and delivery of the Certificates and with the transactions contemplated thereby and by this Purchase Agreement, all such actions as Special Counsel shall deem to be necessary and appropriate to render the opinion set forth in Appendix B to the Official Statement.

(c) No Amendment of Official Statement. At the Closing, the Official Statement shall not have been amended, modified or supplemented, except as may have been agreed in writing by the Underwriter.

(d) Closing Documents. On or prior to the Closing Date, the Underwriter shall have received copies of the following documents, in each case satisfactory in form and substance to the Underwriter and its counsel:

(1) Legal Documents. The Legal Documents, each duly executed and delivered by the respective parties thereto, with such amendments, qualifications or supplements as may have been agreed to in writing by the Underwriter;

(2) Official Statement. The Official Statement duly executed and delivered on behalf of the City by the City Superintendent, with such amendments, qualifications or supplements as may have been agreed to in writing by the Underwriter;

(3) Opinion of Special Counsel. Approving opinions satisfactory to the Underwriter, dated the Closing Date and addressed to the City, of Special Counsel, in substantially the forms attached as Appendices B-1 and B-2 to the Official Statement, together with an opinion of such Special Counsel satisfactory in form and substance to the Underwriter, dated the Closing Date and addressed to the Bank, the Trustee and the Underwriter, to the effect that such opinions addressed to the City may be relied upon by them to the same extent as if such opinions were addressed to them.

(4) Supplemental Opinion of Special Counsel. A supplemental opinion of Special Counsel in form and substance satisfactory to the Underwriter, dated the Closing Date, addressed to the City, the Trustee, the Bank and the Underwriter to the effect that:

(i) Specified Sections of Official Statement Correct and Complete – The statements set forth in the Official Statement under the captions “INTRODUCTION,” “THE PLAN OF FINANCE,” “THE 2008A CERTIFICATES,” “SOURCES OF PAYMENT OF AND SECURITY FOR THE 2008A CERTIFICATES,” “TAX MATTERS” and “Appendix A – Summary of Principal Legal Documents” insofar as such statements purport to summarize certain provisions of the Certificates, the Trust Agreement, the Sublease, the Lease and such counsel’s opinion concerning certain federal tax matters relating to the Certificates, are accurate in all material respects; and

(ii) Due Authorization, Execution and Delivery; Legal Valid and Binding Agreement – The Legal Documents, including this Purchase Agreement have been duly authorized, executed and delivered by the City and, assuming due authorization and execution thereof by the other parties thereto, constitute legal, valid and binding obligations of the City, enforceable against the City, in accordance with their terms, except as limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors’ rights generally and that the enforceability of the Legal Documents, including the Purchase Agreement, is subject to the effect of general principles of equity including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance or injunctive relief, regardless of whether considered a proceeding in equity or at law.

(iii) Securities Registration Exemption – Under existing laws and regulations, the Certificates are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended; provided that no opinion need be expressed with respect to the Letter of Credit or the Reimbursement Agreement.

(5) Opinion of Counsel to the City. An opinion of the City Attorney, dated the Closing Date and addressed to the City, the Authority, the Bank, the Trustee and the Underwriter, to the effect that:

(i) Due Organization and Existence – the City is a charter city and municipal corporation, duly organized and validly existing under the Constitution and the laws of the State of California;

(ii) Due Adoption – the Resolution of the City (the “Resolution”) approving and authorizing the execution and delivery of the Legal Documents to which the City is a party and approving the Official Statement was duly adopted at a meeting of the City Council which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout;

(iii) No Litigation – except as disclosed in the Official Statement, no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or, to the knowledge of such counsel, threatened

against the City has come to the counsel's attention, which would materially and adversely impact the City's ability to complete the transactions described in and contemplated by the Official Statement, would restrain or enjoin the payments under the Lease Agreement or would in any way contest or affect the validity of the Legal Documents to which the City is a party, the Resolution or the Certificates;

(iv) No Conflict – to the best of the counsel's knowledge, the execution and delivery of the Legal Documents to which the City is a party, the adoption of the Resolution and the approval of the Official Statement, and compliance with the provisions thereof and hereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the City is subject;

(v) Due Authorization, Execution and Delivery; Legal, Valid and Binding Agreements – the Legal Documents to which the City is a party have been duly authorized, executed and delivered by the City, and, assuming due authorization, execution and delivery by the other parties thereto constitute legal, valid and binding agreements of the City enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally and by the application of equitable principles if equitable remedies are sought and by the limitations on legal remedies imposed on actions against unified school districts in the State of California;

(vi) No Consents Required – Official Statement, Legal Documents - no authorization, approval, consent, or other order of the State of California or any other governmental authority or agency within the State of California, other than the City Council, is required for the valid authorization, execution and delivery of the Legal Documents to which the City is a party and the approval of the Official Statement; and

(vii) Official Statement – based solely on participation in conferences (which did not extend beyond the date of the Official Statement) in connection with the preparation of the Official Statement and review of information made available to the counsel in the course of the foregoing conferences (without having independently verified the accuracy, completeness or fairness of the statements contained in the Official Statement), the counsel does not believe that, as of the date of the Official Statement, the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and the counsel does not believe that, on the date hereof, the Official Statement contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. However, the counsel may express no opinion or belief as to any information concerning the Bank and the Letter of Credit; information concerning The Depository Trust Company or its book-

entry system; any information provided by the Underwriter for inclusion in the Official Statement or any financial statements or other financial or statistical information included or referred to in the Official Statement, or the tax-exempt status of interest on the Certificates. The limitations inherent in such participation and review, and the knowledge available to the counsel, are such that the counsel is unable to assume, and the counsel does not assume, any responsibility for such accuracy, completeness or fairness of the statements contained in the Official Statement.

(6) Opinion of Counsel to the Authority. An opinion of [Sidley Austin LLC], counsel to the Authority, dated the Closing Date and addressed to the Authority, the City, the Underwriter, the Bank and the Trustee, dated the Closing Date to the effect that:

(i) Due Organization and Existence – The Authority is duly organized and validly existing as a joint exercise of powers authority, duly organized and existing under the laws of the State of California with organizational powers to enter into the Legal Documents, and to perform its obligations under Legal Documents as appropriate;

(ii) Full Right and Lawful Authority – The Legal Documents have been duly authorized, executed and delivered by and on behalf of the Authority and are legally valid and binding obligations of the Authority enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally (including, without limitation, fraudulent conveyance laws) and by general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law.

(7) Opinion of Counsel to Trustee. An opinion, satisfactory in form and substance to the Underwriter, of counsel to the Trustee, dated the Closing Date and addressed to the Underwriter, the Bank, the Trustee, the City and the Authority, to the effect that:

(i) Due Organization and Existence – The Trustee is a duly organized and validly existing national banking association duly organized and existing under the laws of the United States and has full power and authority to undertake the trusts of the Trust Agreement;

(ii) Corporate Action – The Trustee has duly authorized, executed and delivered the Trust Agreement and by all proper corporate action has authorized acceptance of the duties of the Trustee under the Trust Agreement and has authorized in such capacity the execution and delivery of the Certificates;

(iii) Due Authorization, Execution and Delivery – Assuming the corporate power and legal authority of, and the due authorization, execution and delivery

by the other parties to the Trust Agreement, such agreements are valid, legal and binding obligations of the Trustee, enforceable against the Trustee in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium, reorganization or other similar laws or equitable principles relating to or limiting creditors' rights generally;

(iv) Execution and Delivery of Certificates – The Certificates have been validly authorized, executed and delivered by the Trustee pursuant to direction from the City;

(8) City Certificate. A certificate, dated the Closing Date and signed by the City Manager [Director of Finance] [Treasurer] of the City or such other representative or officer of the City as the Underwriter may approve, to the effect that:

(i) Representations and Warranties – To the best knowledge of such person, the representations and warranties of the City contained herein are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date;

(ii) Official Statement – To the best knowledge of said individual, no event has occurred since the date of the Official Statement affecting the City which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to be disclosed therein in order to make the statements made, in light of the circumstances under which they were made, not misleading in any material respect;

(iii) Complied with All Agreements – The City has complied with all agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date under this Purchase Agreement, the City Resolution, the Legal Documents and the Official Statement;

(iv) No Litigation – No litigation is pending or, to the best of such official's knowledge, threatened (either in state or federal courts): (a) seeking to restrain or enjoin the execution, sale or delivery of any of the Certificates, (b) in any way contesting or affecting the authority for the execution, sale or delivery of the Certificates or execution and delivery of the Legal Documents, or this Purchase Agreement or which could materially adversely affect the City's finances, operations or ability to perform its obligations under the Legal Documents, or (c) in any way contesting the existence or powers of the City; and

(v) No Untrue or Misleading Statements – The information contained in the Official Statement pertaining to the City is true and correct and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading in any material respect.

(9) Authority Certificate. A certificate of the Authority, dated the Closing Date and signed by a duly authorized official of the Authority, to the effect that:

(i) Complied with All Agreements – The Authority has complied with all agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date under the Authority Resolution and the Legal Documents to which it is a party; and

(ii) No Litigation – No litigation is pending or, to the best knowledge of such official, threatened (either in state or federal courts): (a) seeking to restrain or enjoin the execution, sale or delivery of any of the Certificates, (b) in any way contesting or affecting the authority for the execution, sale or delivery of the Certificates or execution and delivery of the Legal Documents, including this Purchase Agreement, or (c) in any way contesting the existence or powers of the Authority.

(10) Trustee Certificate. A certificate of the Trustee dated the Closing Date, signed by a duly authorized officer of the Trustee, in form and substance satisfactory to the Underwriter, to the effect that:

(i) Due Organization and Existence – The Trustee is a national banking association duly organized and in good standing under the laws of the United States and has all necessary power and authority to enter into and perform its duties under the Trust Agreement;

(ii) Corporate Action – The Trustee is duly authorized to enter into the Trust Agreement and to execute and deliver the Certificates to the Underwriter pursuant to the terms of the Trust Agreement and, when executed by the other parties thereto, the Trust Agreement will constitute legal, valid and binding obligations of the Trustee enforceable in accordance with their terms;

(iii) Execution and Delivery of Certificates – The Certificates have been duly executed and delivered to the Underwriter pursuant to direction from the City;

(iv) No Breach or Default – The Trustee is not in breach of or default under any law or administrative rule or regulation of the United States of America or of any department, division, agency or instrumentality thereof, or any applicable court or administrative decree or order, or any other instrument to which the Trustee is a party or is otherwise subject or bound and which would materially impair the ability of the Trustee to perform its obligations under the Trust Agreement and the Assignment Agreement; provided, however, that the Trustee need not certify to compliance with any federal or state securities laws;

(v) No Litigation – No action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, has been served on the Trustee or, to the best of its knowledge, threatened in any way affecting the existence of the Trustee or the titles of its directors or officers to their respective offices, or seeking to restrain or enjoin the execution, sale or delivery of the Certificates, the application of the proceeds thereof in accordance with the Trust



Agreement, or in any way contesting or affecting the validity or enforceability of the Certificates; and

(vi) No Conflict – The execution and delivery by the Trustee of the Trust Agreement and the Assignment Agreement, and compliance with the terms thereof will not, in any material respect, conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, indenture, bond, note, resolution or any other agreement or instrument to which the Trustee is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Trustee or any of its activities or properties, or (except with respect to the lien of the Trust Agreement) result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Trustee.

(11) Trustee Resolution. Certified copies of the excerpts of the Bylaws of the Trustee authorizing the execution and delivery of certain documents by certain officers of the Trustee, which resolution authorizes the execution and delivery of the Certificates and the Trust Agreement;

(12) Resolution. Certified copies of the Resolution;

(13) Authority Resolution. Certified copies of the Authority Resolution;

(14) Authority Documents. A certified copy of the Joint Exercise of Powers Agreement dated April 24, 2000, by and between the City and the Pasadena Community Development Commission, creating the Authority;

(15) Letter of Credit. A copy of the executed Letter of Credit;

(16) Certificate of Bank. A certificate of the Bank in form and substance satisfactory to Special Counsel and the Underwriter;

(17) Opinion of Bank Counsel. An opinion of White & Case, LLP, counsel to the Bank addressed to the City, the Authority, the Bank, the Trustee and the Underwriter in form and substance satisfactory to Special Counsel and the Underwriter;

(18) Nonarbitrage Certificate. A nonarbitrage certificate in form satisfactory to Special Counsel;

(19) IRS Form 8038-G. Internal Revenue Service Form 8038-G, executed by an authorized officer of the City;

(20) Rating. Evidence from Standard & Poor's and Fitch Ratings that the Certificates have been rated ["A-1+"] and [F1+], respectively.

(21) Insurance. Evidence that the insurance required by the Sublease is in full force and effect;

(22) Title Insurance. Evidence that [Chicago Title Company] is prepared to issue an ALTA policy insuring the City's and Authority's respective interests in the Leased Property; and

(23) Miscellaneous. Such additional legal opinions, certificates, proceedings, instruments and other documents as Special Counsel or counsel for the Underwriter may reasonably request to evidence compliance with legal requirements, the truth and accuracy, as of the time of Closing, of the representations and warranties contained herein, in the Legal Documents and in the Official Statement and the due performance or satisfaction by the Trustee, the Bank, the Authority and the City at or prior to such time of all agreements then to be performed and all conditions then to be satisfied.

(e) All matters relating to this Purchase Agreement, the Certificates and the sale thereof, the Official Statement, the Legal Documents and the consummation of the transactions contemplated by this Purchase Agreement shall have been approved by the Underwriter and counsel for the Underwriter, such approval not to be unreasonably withheld.

If the City and the Authority shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Certificates contained in this Purchase Agreement, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Certificates shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter, the City nor the Authority shall be under any further obligation hereunder, except that the respective obligations of the City, the Authority and the Underwriter set forth in Section 10 hereof shall continue in full force and effect.

Section 9. Termination. The Underwriter shall have the right to terminate its obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Certificates by notifying the City of its election to do so if, between the date hereof and the Closing Date, the market price or marketability, at the initial offering prices set forth in the Official Statement, of the Certificates has been materially adversely affected in the reasonable judgment of the Underwriter by reason of any of the following:

(a) Legislation, Judicial Decisions or Rulings. An amendment to the Constitution of the United States or the constitution of the State of California shall have been passed or legislation enacted or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the United States Tax Court with any of the effects listed in clauses (i), (ii), (iii) or (iv) below, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(i) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service, with the purpose or effect, directly or indirectly, of imposing federal income taxation upon payments of the general character of the Base Rental Payments as would be received by the Authority or the Trustee or upon such interest as would be received by the Owners of the Certificates; or

(ii) by or on behalf of the State of California or the California Franchise Tax Board, with the purpose or effect, directly or indirectly, of imposing California personal income taxation upon payments of the general character of the Base Rental Payments as would be received by the Authority or the Trustee or upon such interest as would be received by the Owners of the Certificates; or

(iii) by or on behalf of the Treasury Department of the United States or the Internal Revenue Service or by or on behalf of the State of California or the California Franchise Tax Board, with the purpose or effect, directly or indirectly, of changing the federal or State of California income tax rates, respectively; or

(iv) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Certificates, or obligations of the general character of the Certificates, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or the Trust Agreement is not exempt from qualifications under the Trust Indenture Act of 1939, as amended.

(b) War. The declaration of war or engagement in or escalation of major military hostilities by the United States or the occurrence of any other national emergency or calamity relating to the effective operation of the government or the financial community in the United States;

(c) Banking Moratorium. The declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange;

(d) Securities Exchange Restrictions. The imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Certificates, or obligations of the general character of the Certificates or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, underwriters;

(e) Changes to Federal Securities Law. An order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Certificates, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of any federal securities law as amended and then in effect;

(f) Amendment to Federal or State Constitution. Any amendment to the federal or California Constitution or action by any federal or California court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the City, its property, income, securities (or interest thereon) or the validity or enforceability of the Certificates;

(g) Official Statement Untrue or Incomplete. Any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material adverse respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(h) Certain Amendments to the Official Statement. An event described in Section 6(g) hereof occurs prior to the Closing which, in the reasonable judgment of the Underwriter, requires or has required a supplement or amendment to the Official Statement; or

(i) Action by Rating Agencies. Any downgrading, suspension or withdrawal, or any official statement as to a possible downgrading, suspension or withdrawal, of any unenhanced rating by Standard & Poor's or Fitch Inc. of any obligations of the City (excluding obligations for which the City acts merely as a conduit issuer), including the Certificates.

Section 10. Expenses. All expenses and costs of the City incident to the performance of its obligations in connection with the authorization, execution, sale and delivery of the Certificates to the Underwriter, including, but not limited to, printing costs, fees of the Trustee and the Bank, fees and expenses of the consultants, fees and expenses of Special Counsel and Underwriter's counsel and costs relating to obtaining ratings shall be paid by the City, and the Underwriter shall have no liability for the payment of such amounts whether or not the Certificates are executed and delivered. All out-of-pocket expenses of the Underwriter, including the California Debt and Investment Advisory Commission fee, travel and other expenses (including travel expenses incurred in connection with securing ratings and/or bond insurance for the Certificates), shall be paid by the Underwriter and the City shall reimburse the Underwriter for the payment of such amounts whether or not the Certificates are executed and delivered.

Section 11. Notices. Any notice or other communication to be given to a party under this Purchase Agreement may be given by delivering the same in writing by mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

- (a) If to the City: City Treasurer  
City of Pasadena  
100 North Garfield Avenue  
Pasadena, California 91109
- (b) If to the Authority: Pasadena Public Financing Authority  
c/o City of Pasadena  
100 North Garfield Avenue  
Pasadena, California 91109  
Attention: City Manager

- (c) If to the Bank: Bank of America, N.A.  
333 South Hope Street, 13th Floor  
CA9-193-13-17  
Los Angeles, California 90071  
Attention: Credit Products, California  
Government and Institutional Banking
- (d) If to the Trustee: The Bank of New York Trust Company, N.A.  
700 South Flower Street, Suite 500  
Los Angeles, California 90017  
Attention: Corporate Trust Department
- (e) If to the Underwriter: Banc of America Securities LLC  
300 South Grand Avenue, 19<sup>th</sup> Floor  
CA9-704-19-19  
Los Angeles, California 90071  
Attention: David Johnson

Section 12. Parties in Interest. This Purchase Agreement is made solely for the benefit of the City, the Authority and the Underwriter (including successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof.

Section 13. Governing Law. This Purchase Agreement shall be governed by the laws of the State of California.

Section 14. Entire Agreement. This Purchase Agreement when accepted by you in writing as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the City, the Authority and the Underwriter (including the successors or assigns thereof). No other person shall acquire or have any right hereunder or by virtue hereof.

Section 15. Determination of Underwriting Period. The term “end of the underwriting period” means such time as the Underwriter no longer retains, directly or as a member or an underwriting syndicate, an unsold balance of the Certificates for sale to the public. Unless the Underwriter gives notice to the contrary, the “end of the underwriting period” shall be deemed the date of the Closing. Any notice delivered pursuant to this Section shall be written notice, delivered to the City at or prior to the Closing, and shall specify a date, other than the date of the Closing (or other date specified by notice delivered pursuant to this section), to be deemed the “end of the underwriting period.”

Section 16. Counterparts. This Purchase Agreement may be executed in any number of counter parts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

Section 17. Headings. The headings of the sections of this Purchase Agreement are inserted for convenience only and shall not be deemed to be a part hereof.

Section 18. Effectiveness. This Purchase Agreement shall become effective upon the acceptance hereof by the authorized officer of the City or his or her designee and shall be valid and enforceable at the time of such acceptance and acknowledgment.

Very truly yours,

**BANC OF AMERICA SECURITIES LLC,**  
as Underwriter

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

Accepted this \_\_\_\_ day of April, 2008

**THE CITY OF PASADENA**

By \_\_\_\_\_  
Title: Director of Finance

APPROVED AS TO FORM:

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

**PASADENA PUBLIC FINANCING AUTHORITY**

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