
THIRD SUPPLEMENTAL TRUST AGREEMENT

by and among

THE BANK OF NEW YORK TRUST COMPANY, N.A.
as Trustee,

THE CITY OF PASADENA
as Lessee

and the

PASADENA PUBLIC FINANCING AUTHORITY
as Lessor

Dated as of April 1, 2008

Relating to

\$ _____
City of Pasadena
Variable Rate Demand Refunding Certificates of Participation
Series 2008A

(Supplemental to the Amended and Restated Trust Agreement, dated as of January 1, 2003)

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THIRD SUPPLEMENTAL TRUST AGREEMENT

This THIRD SUPPLEMENTAL TRUST AGREEMENT (this “Third Supplemental Trust Agreement”), made and entered into as of April 1, 2008, by and among THE BANK OF NEW YORK TRUST COMPANY, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as successor trustee (the “Trustee”), the CITY OF PASADENA, a municipal corporation duly organized and existing under its charter and the Constitution and laws of the State of California (the “City”), and the PASADENA PUBLIC FINANCING AUTHORITY, a joint exercise of powers authority duly organized and existing under the laws of the State of California (the “Authority”);

WITNESSETH:

WHEREAS, in 1993, the City financed and refinanced the acquisition and construction of certain public facilities and capital improvements through the sale and delivery of City of Pasadena 1993 Certificates of Participation (Refunding and Capital Projects) (the “1993 Certificates”), executed and delivered pursuant to a Trust Agreement, dated as of January 1, 1994 (the “1993 Trust Agreement”), by and among the Trustee, the Pasadena Civic Improvement Corporation (the “Corporation”), the obligations of which have been assumed by the Authority as described below, and the City;

WHEREAS, the City leased certain real property, and the improvements thereto (the “1993 Property”) to the Corporation pursuant to an Amended and Restated Lease, dated as of January 1, 1994 (the “1993 Lease”), and the City subleased the 1993 Property back from the Corporation pursuant to an Amended and Restated Sublease, dated as of January 1, 1994 (the “1993 Sublease”);

WHEREAS, all rights to receive base rental payments payable by the City under the 1993 Sublease were assigned without recourse by the Corporation to the Trustee, pursuant to an Assignment Agreement, dated as of January 1, 1994 (the “1993 Assignment Agreement”);

WHEREAS, in 1996, the City financed the acquisition and construction of certain public facilities and capital improvements (the “1996 Project”) through the sale and delivery of City of Pasadena 1996 Certificates of Participation (Multi-Purpose Projects) (the “1996 Certificates”) executed and delivered pursuant to a Trust Agreement, dated as of March 1, 1996 (the “1996 Trust Agreement”), by and among the Trustee, the Corporation and the City;

WHEREAS, in connection with the financing of the 1996 Project, the City and the Corporation added to the property leased under the 1993 Lease and 1993 Sublease certain real property and the improvements thereto pursuant to a Lease, dated as of March 1, 1996, constituting an amendment to the 1993 Lease (as amended, the “1996 Lease”), and a Sublease, dated as of March 1, 1996, constituting an amendment to the 1993 Sublease (as amended, the “1996 Sublease”);

WHEREAS, all rights to receive base rental payments payable by the City under the 1996 Sublease were assigned without recourse by the Corporation to the Trustee, pursuant to an Assignment Agreement, dated as of March 1, 1996 (the “1996 Assignment Agreement”);

WHEREAS, the City, the Corporation and the Authority have entered into an Assignment, Assumption and Consent Agreement, whereby the Corporation assigned to the Authority, with the consent of the City, all of its right, title and interest in, and its obligations under, and with respect to, the 1993 Lease, the 1993 Sublease, the 1993 Trust Agreement, the 1993 Assignment Agreement, the 1996 Lease, the 1996 Sublease, the 1996 Trust Agreement and the 1996 Assignment Agreement, and all other agreements and instruments executed by the Corporation, and property leased, in connection with the execution and delivery of the 1993 Certificates and the 1996 Certificates;

WHEREAS, in 2003, the City financed a portion of the costs of renovation of Pasadena City Hall and certain other public improvements (the "2003 Project") through the sale and delivery of City of Pasadena 2003 Variable Rate Demand Certificates of Participation (City Hall and Park Improvement Projects) (the "2003 Certificates"), executed and delivered pursuant to the Amended and Restated Trust Agreement, dated as of January 1, 2003 (the "Trust Agreement"), by and among the Trustee, the Authority and the City, and consented to by Ambac Assurance Corporation (the "Insurer");

WHEREAS, in connection with the financing of the 2003 Project, the Authority and the City entered into an Amended and Restated Lease, dated as of January 1, 2003 (the "Amended and Restated Lease"), in order to amend and restate the 1993 Lease and the 1996 Lease, and entered into an Amended and Restated Sublease, dated as of January 1, 2003 (the "Amended and Restated Sublease"), in order to amend and restate the 1993 Sublease and the 1996 Sublease, so as to increase the amount of base rental payments payable thereunder, and, in both cases, to make the provisions thereof applicable to the 2003 Project and to make certain other modifications in order to provide for the execution and delivery of Additional Certificates in accordance with the provisions of the 1996 Trust Agreement;

WHEREAS, the Authority and the Trustee entered into an Amended and Restated Assignment Agreement, dated as January 1, 2003 (the "Assignment Agreement"), in order to amend and restate the 1993 Assignment Agreement and the 1996 Assignment Agreement so as to expressly provide that all rights to receive the base rental payments payable by the City under the Amended and Restated Sublease, including the increased amounts thereof provided for in the Sublease, were assigned without recourse by the Authority to the Trustee;

WHEREAS, in 2004, the City refunded a portion of the 1993 Certificates and a portion of the 1996 Certificates through the sale and delivery of City of Pasadena Refunding Certificates of Participation, Series 2004A (the "2004A Certificates") and City of Pasadena Refunding Certificates of Participation, Series 2004B (the "2004B Certificates" and together with the 2004A Certificates, the "2004 Certificates"), executed and delivered pursuant to a First Supplemental Trust Agreement, dated as of March 1, 2004 (the "First Supplemental Trust Agreement"), by and among the Trustee, the Authority and the City;

WHEREAS, the City and the Authority entered into a Supplement No. 1 to Amended and Restated Lease and a Supplement No. 1 to Amended and Restated Sublease in order to supplement the Amended and Restated Lease and the Amended and Restated Sublease, respectively, and so as to make the provisions thereof applicable to the 2004 Certificates;

WHEREAS, in 2006, the City financed the construction, expansion and renovation of the Pasadena Conference Center and certain other improvements through the sale and delivery of City of Pasadena Certificates of Participation (Conference Center Project), Series 2006A (the "2006A Certificates") and City of Pasadena Certificates of Participation (Conference Center Project), Series 2006B (the "2006B Certificates" and together with the 2006A Certificates, the "2006 Certificates") executed and delivered pursuant to a Second Supplemental Trust Agreement, dated as of September 1, 2006 (the "Second Supplemental Trust Agreement"), by and among the Trustee, the Authority and the City;

WHEREAS, the City and the Authority entered into a Supplement No. 2 to Lease and a Supplement No. 2 to Sublease in order to supplement the Lease and the Sublease, respectively, and so as to make the provisions thereof applicable to the 2006 Certificates;

WHEREAS, the Trust Agreement provides that the City may at any time issue additional certificates payable on a parity with the 1993 Certificates, 1996 Certificates, 2003 Certificates, 2004 Certificates and 2006 Certificates pursuant to a supplemental trust agreement;

WHEREAS, the City desires to execute and deliver an additional series of certificates designated as City of Pasadena Variable Rate Demand Refunding Certificates of Participation, Series 2008A, in the aggregate principal amount of \$_____ (the "2008A Certificates") for the purpose of refunding the outstanding 2006B Certificates, funding capitalized interest with respect to the 2008A Certificates, [funding (if necessary) a deposit to a reserve fund] and financing the costs of execution and delivery of the 2008A Certificates;

WHEREAS, the Authority and the City will enter into a Supplement No. 3 to Amended and Restated Lease and a Supplement No. 3 to Amended and Restated Sublease in order to supplement the Amended and Restated Lease and the Amended and Restated Sublease, respectively, to increase the amount of base rental payments payable by the City under the Sublease by an aggregate amount equal to the principal and interest represented by the 2008A Certificates and to make the provisions thereof applicable to the 2008A Certificates;

WHEREAS, in order to provide for the authentication and delivery of the 2008A Certificates, to establish and declare the terms and conditions upon which the 2008A Certificates are to be executed and delivered and to secure the payment of the principal, and premium, if any, and interest evidenced and represented thereby, the City and the Authority have authorized the execution and delivery of this Supplemental Trust Agreement; and

WHEREAS, all acts and proceedings required by law necessary to make the 2008A Certificates, when executed and delivered by the Trustee, the valid, binding and legal obligations of the City payable in accordance with their terms, and to constitute this Supplemental Trust Agreement a valid and binding agreement of the parties hereto for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Supplemental Trust Agreement have been in all respects duly authorized;

NOW, THEREFORE, THIS THIRD SUPPLEMENTAL TRUST AGREEMENT WITNESSETH, that in order to secure the payment of the principal, premium, if any, and the interest evidenced and represented by all Certificates at any time executed, delivered and

outstanding under the Trust Agreement, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the 2008A Certificates are to be executed, delivered and received, and in consideration of the premises and of the mutual covenants therein and herein contained and of the purchase and acceptance of the 2008A Certificates by the Owners thereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, the City and the Authority do hereby covenant and agree with the Trustee, for the benefit of the respective Owners from time to time of the Certificates, as follows:

ARTICLE XXVII

DEFINITIONS AND ADDITIONAL DEFINITIONS

SECTION 27.01. Definitions. Unless otherwise specifically provided in the recitals hereto, in Section 27.02 hereof or in Section 27.03 hereof, capitalized terms used in this Third Supplemental Trust Agreement shall have the meanings ascribed to them in the Trust Agreement.

SECTION 27.02. Additional Definitions. Unless the context otherwise requires, the terms defined in this Section 27.02 shall have the meanings herein specified for all purposes of this Third Supplemental Trust Agreement (including Exhibit A attached hereto), and for all purposes of any certificate, opinion, request or other document mentioned herein or in the Trust Agreement:

2008A Certificates

“2008A Certificates” shall mean the \$_____ City of Pasadena Variable Rate Demand Refunding Certificates of Participation, Series 2008A executed and delivered by the Trustee pursuant hereto.

SECTION 27.03. Amended Definitions. The following definitions set forth in the Trust Agreement, the First Supplemental Trust Agreement or Second Supplemental Trust Agreement are hereby amended in their entirety to read as follows:

Alternate Rate

“Alternate Rate” shall mean a rate per annum equal to (1) the SIFMA Municipal Swap Index of Municipal Market Data, formerly the PSA Municipal Swap Index (as such term is defined in the 1992 ISDA U.S. Municipal Counterparty Definitions) (the “SIFMA Rate”) most recently available as of the date of determination, or (2) if such index is no longer available, or if the SIFMA Rate is no longer published, the Kenny Index (as such term is defined in the 1992 ISDA U.S. Municipal Counterparty Definitions), or if neither the SIFMA Rate nor the Kenny Index is published, the index determined to equal the prevailing rate determined by the Remarketing Agent for tax-exempt state and local government obligations meeting criteria determined in good faith by the Remarketing Agent to be comparable under the circumstances to the criteria used by the Securities Industry and Financial Markets Association to determine the SIFMA Rate just prior to when the Securities Industry and Financial Markets Association

stopped publishing the SIFMA Rate. The Trustee shall make the determinations required by this determination, upon notification from the City, if there is no Remarketing Agent, if the Remarketing Agent fails to make any such determination or if the Remarketing Agent has suspended its remarketing efforts in accordance with the Remarketing Agreement.

Credit Provider or Credit Enhancer

“Credit Provider” or “Credit Enhancer” shall mean any bank, insurance company, pension fund or other financial institution which provides a Credit Enhancement or Alternate Credit Enhancement for the Certificates. As of the date of execution and delivery of the 2008A Certificates, the Insurer is the Credit Provider for the 1993 Certificates, the 1996 Certificates, the 2003 Certificates, the 2004 Certificates and the 2006A Certificates. For the 2008A Certificates, the Initial Letter of Credit Bank is the Credit Provider.

Direct Pay Letter of Credit

“Direct Pay Letter of Credit” shall mean the direct-pay letter of credit provided by the Initial Letter of Credit Bank.

Initial Letter of Credit Bank

“Initial Letter of Credit Bank” shall mean Bank of America, N.A.

Lease

“Lease” shall mean that certain Amended and Restated Lease dated as of January 1, 2003, as supplemented by Supplement No. 1 to Lease, dated as of March 1, 2004, as supplemented by Supplement No. 2 to Lease, dated as of September 1, 2006 and as supplemented by Supplement No. 3 to Lease, dated as of April 1, 2008, with respect to the Leased Property, by and between the City as lessor and the Authority as lessee, as originally executed and as it may from time to time be further amended or supplemented.

Sublease

“Sublease” shall mean that certain Amended and Restated Sublease dated as of January 1, 2003, as supplemented by Supplement No. 1 to Sublease, dated as of March 1, 2004, as supplemented by Supplement No. 2 to Sublease, dated as of September 1, 2006 and as supplemented by Supplement No. 3 to Sublease, dated as of April 1, 2008, with respect to the Leased Property, by and between the City as sublessee and the Authority as sublessor, as originally executed and as it may from time to time be further amended or supplemented.

ARTICLE XVIII

THE SERIES 2008A CERTIFICATES

SECTION 28.01. Authorization and Designation. The Trustee is hereby authorized and directed, without further request, to execute, register and deliver the 2008A Certificates in an

aggregate principal amount of \$ _____, representing the aggregate principal components of the Base Rental Payments set forth in Exhibit B to the Sublease with respect to the 2008A Certificates and evidencing and representing a proportionate undivided interest in Base Rental Payments. The 2008A Certificates shall be designated “City of Pasadena Refunding Certificates of Participation, Series 2008A,” and shall further be designated initially as “Variable Rate Demand Refunding Certificates.”

SECTION 28.02. Dated Date and Maturity of 2008A Certificates, Accrual of Interest.

2008A Certificates. The 2008A Certificates shall be dated the date of original execution and delivery thereof (the “Dated Date”), shall bear interest from such date, and shall mature on February 1, 2035 (subject to any change in such maturity pursuant to Section 2.09(b)(v)). The 2008A Certificates shall be initially executed and delivered in the Weekly Mode and in the form of fully registered Certificates in Authorized Denominations. The 2008A Certificates shall bear interest at the applicable rate or rates during each applicable Interest Period until the entire principal amount of the Series 2008A Certificates has been paid.

SECTION 28.03. Mandatory Prepayment From Net Proceeds. As provided in Section 4.01(a), the 2008A 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 shall be effected with respect to the 2008A Certificates by defeasing such 2008A Certificates or portions thereof to maturity pursuant to Article X of the Trust Agreement.

SECTION 28.04. Optional Prepayment. The 2008A Certificates while in the Weekly Mode shall be subject to prepayment prior to maturity on any Interest Payment Date, at the option of the City, at a prepayment price of 100% of the principal amount thereof plus accrued interest, if any, from the end of the preceding Interest Period to the Prepayment Date.

SECTION 28.05. Mandatory Sinking Fund Prepayment. The 2008A Certificates maturing February 1, 20__ are subject to mandatory sinking fund prepayment in the amount of the principal thereof, without premium, in the years and amounts as set forth below.

Mandatory Prepayment Dates (February 1)	<u>Principal Amount</u>
	\$

* Final Maturity.

Notwithstanding any other provision in this Section, if any February 1 is not an Interest Payment Date for 2008A Certificates which are Variable Rate Demand Certificates, then “February 1” whenever used in this paragraph shall be deemed to refer to the Interest Payment Date for such Variable Rate Demand Certificates immediately following such February 1. The amount of each prepayment required by this Section with respect to 2008A Certificates shall be reduced proportionately as directed by a Certificate of the City in the event and to the extent of any and all optional prepayments of 2008A Certificates pursuant to Section 28.04.

SECTION 28.06. Notice of Prepayment. As provided in the Section 4.03 Trust Agreement, notice of prepayment hereof or of any part hereof shall be mailed, first class postage prepaid, not less than 30 nor more than 60 days before the prepayment date, to the Owner of the 2008A Certificates at his or her address as it appears in the registration books maintained by the Trustee and to those securities depositories and securities information services specified in the Trust Agreement, but neither failure to receive any such notice nor any defect contained therein shall affect the validity of the proceedings for the prepayment of the 2008A Certificates. If 2008A Certificates are called for prepayment and payment is duly provided therefor as specified in the Trust Agreement, the interest represented hereby shall cease to accrue.

SECTION 28.07. Form of 2008A Certificates. The 2008A Certificate shall be substantially in the respective form set forth in Exhibit A attached hereto and by this reference incorporated herein.

ARTICLE XXIX

APPLICATION OF PROCEEDS OF THE 2008A CERTIFICATES; CREATION OF 2008A LIQUIDITY FACILITY PURCHASE ACCOUNT

SECTION 29.01. Application of Proceeds of 2008A Certificates; Certificate Reserve Fund.

The net proceeds received from the sale of the 2008A Certificates amount to \$ _____. The 2008A Certificate proceeds shall be deposited in the following respective funds or transferred as provided herein, as directed by a Written Request of the City:

(a) The Trustee shall establish and maintain a separate fund known as the "2008A Prepayment Fund" pursuant to Section 5.02(d) of the Trust Agreement and deposit therein \$ _____ from the proceeds of the 2008A Certificates which will provide for the defeasance of the 2006B Certificates and costs incidental thereto;

(b) The Trustee shall establish and maintain a separate fund known as the "2008A Certificate Reserve Fund" pursuant to Section 3.04 of the Trust Agreement and shall deposit therein an amount equal to \$ _____, being the amount necessary to cause the balance on deposit in the Certificate Reserve Fund (which shall include the 2008A Certificate Reserve Fund) to be equal to the Certificate Reserve Fund Requirement upon the delivery of the 2008A Certificates. The money in the 2008A Certificate Reserve Fund may be commingled with other money in the Certificate Reserve Fund; provided, however, that money in the 2008A Certificate Reserve Fund will be separately tracked for accounting and federal income tax compliance purposes. The money in the 2008A Certificate Reserve Fund shall be used and disbursed in the manner provided in Section 3.04 of the Trust Agreement and for purposes of Section 3.04 of the Trust Agreement, the Treasurer has been designated as a duly authorized representative of the Director of Finance; provided, however, that notwithstanding the foregoing or anything in the Trust Agreement to the contrary, investment earnings on amounts on deposit in the 2008A Certificate Reserve Fund shall be transferred to the 2008A Interest Fund and credited towards the interest due with respect to the 2008A Certificates;

(c) The Trustee shall establish and maintain a separate fund known as the "2008A Interest Fund" pursuant to Section 5.02 of the Trust Agreement and shall deposit therein the amount of \$ _____. [The money in the 2008A Interest Fund shall be credited toward the Base Rental Payments designated as the interest component with respect to the 2008A Certificates on each Interest Payment Date on and prior to February 1, 2009 and shall be used and disbursed on and prior to such date (i) to pay the fees of the Remarketing Agent and Credit Provider and (ii) to pay interest with respect to the 2008A Certificates in the manner provided in Section 5.02 of the Trust Agreement;]

(d) The Trustee shall establish and maintain a separate fund known as the "2008A Cost of Issuance Fund" pursuant to Section 3.05 of the Trust Agreement and deposit therein the amount of \$ _____.

SECTION 29.02. Creation of 2008A Letter of Credit Account. The Trustee shall establish and maintain a separate fund known as the "2008A Letter of Credit Account" pursuant to Section 4.14 of the Trust Agreement and shall, on each Business Day preceding each Interest Payment Date and Principal Payment Date of the 2008A Certificates, before 4:00 P.M. on such day, draw on the Direct Pay Letter of Credit provided by the Initial Letter of Credit of Bank in accordance with the terms thereof so as to receive by 1:00 P.M. on said Interest Payment Date and Principal Payment Date, an amount, in immediately available funds, equal to the amount of interest and

principal payable with respect to the 2008A Certificates on such Interest Payment Date and Principal Payment Date.

ARTICLE XXX

AMENDMENT OF TRUST AGREEMENT

SECTION 30.01. Amendment of Trust Agreement. Subsection (f) of Section 2.18 of the Trust Agreement is hereby amended and restated to read as follows:

“(f) A CLTA title insurance policy or other appropriate form of policy dated within ____ days of the Additional Certificates in the amount of the Additional Certificates of the type and with the endorsements described in Section 6.05 of the Sublease; provided, however, if such Additional Certificates are refunding Additional Certificates then no CLTA title insurance policy or other appropriate form of policy is required.”

ARTICLE XXXI

MISCELLANEOUS

SECTION 31.01. Certain Notices. The Trustee shall provide to the Credit Provider and the Remarketing Agent a copy of any notice required to be given to the Rating Agencies pursuant to Section 12.12(b)(i) of the Trust Agreement with respect to the substitution of the Trustee under the Trust Agreement.

SECTION 31.02. Severability. If any provision of this Third Supplemental Trust Agreement shall be held or deemed to be illegal, inoperative or unenforceable, the same shall not affect any other provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

SECTION 31.03. Counterparts. This Third Supplemental Trust Agreement may be simultaneously executed in several counterparts each of which, when executed and delivered, shall be an original and all of which shall constitute one and the same instrument.

SECTION 31.04. Provisions of Trust Agreement Not Otherwise Modified. Except as specifically amended by this Third Supplemental Trust Agreement, the Trust Agreement is hereby ratified, approved and confirmed and remains in full force and effect.

SECTION 31.05. Governing Law; Venue. This Third Supplemental Trust Agreement shall be governed by and construed in accordance with the laws of the State of California. This Third Supplemental Trust Agreement shall be enforceable in the State of California and any action arising out of this Third Supplemental Trust Agreement shall be filed and maintained in Pasadena, California, unless the City waives this requirement.

SECTION 31.06. Effective Date. This Third Supplemental Trust Agreement shall be effective upon the execution hereof by the parties hereto.

IN WITNESS WHEREOF, the Authority has caused this Third Supplemental Trust Agreement to be executed by its Treasurer and duly attested to by its Secretary, the City has caused this Third Supplemental Trust Agreement to be executed on its behalf by its Director of Finance and duly attested by the City Clerk and the Trustee has caused this Third Supplemental Trust Agreement to be executed in its name by its duly authorized officer all as of the day and year first above written.

THE BANK OF NEW YORK TRUST
COMPANY, N.A., as Trustee

By: _____
Authorized Officer

PASADENA PUBLIC FINANCING AUTHORITY

By: _____
Treasurer

ATTEST:

Jane L. Rodriguez
Secretary

CITY OF PASADENA

By: _____

Director of Finance

ATTEST:

Jane L. Rodriguez, CMC
City Clerk

APPROVED AS TO FORM:

By: _____
Michelle Beal Bagneris
City Attorney

APPROVED AS TO FORM:

By: _____
Sidley Austin LLP

CONSENT

BY EXECUTION HEREOF, Ambac Assurance Corporation, as Insurer of the 1993 Certificates, the 2003 Certificates, the 2004 Certificates and the 2006 Certificates hereby consents to the foregoing amendments to the Trust Agreement contained in this Third Supplemental Trust Agreement as of the date above first written.

AMBAC ASSURANCE CORPORATION

By: _____

Title: _____

EXHIBIT A

[FORM OF 2008A CERTIFICATE]

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. R-1

\$ _____

CITY OF PASADENA
VARIABLE RATE DEMAND REFUNDING CERTIFICATE OF PARTICIPATION
SERIES 2008A

Evidencing and Representing a Proportionate
Undivided Interest of the Owner Hereof
In Base Rental Payments to be Made
by the

CITY OF PASADENA, CALIFORNIA

to the

PASADENA PUBLIC FINANCING AUTHORITY

Under and Pursuant to an
Amended and Restated Sublease dated as of January 1, 2003, as Supplemented by Supplement
No. 1 dated as of March 1, 2004, Supplement No. 2 dated as of September 1, 2006 and
Supplement No. 3 dated as of April 1, 2008

<u>Interest Rate</u>	<u>Principal Payment Date</u>	<u>Dated</u>	<u>CUSIP</u>
Variable	[February 1, 2035]	April __, 2008	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____ DOLLARS

THIS IS TO CERTIFY that the registered Owner identified above of this Certificate of Participation (this "2008A Certificate") is the Owner of a proportionate, undivided interest in the right to receive the Base Rental Payments under and pursuant to that certain Amended and Restated Sublease (the "Sublease") executed and entered into as of January 1, 2003, as supplemented by Supplement No. 1, dated as of March 1, 2004, Supplement No. 2, dated as of September 1, 2006 and Supplement No. 3, dated as of April 1, 2008 (collectively, the

“Sublease”) each by and between the Pasadena Public Financing Authority (the “Authority”), a joint exercise of powers authority duly organized and existing under the laws of the State of California, and the City of Pasadena (the “City”), a municipal corporation duly organized and existing under its charter and the Constitution and laws of the State of California, all of which rights to receive such Base Rental Payments have been assigned without recourse by the Authority to The Bank of New York Trust Company, N.A., a national banking association duly organized and existing under the laws of the United States of America, at its principal corporate trust office in Los Angeles, California, as successor trustee (the “Trustee”), acting in its capacity as such under the Amended and Restated Trust Agreement, dated as of January 1, 2003, as supplemented by the First Supplemental Trust Agreement dated as of March 1, 2004, the Second Supplemental Trust Agreement, dated as of September 1, 2006 and the Third Supplemental Trust Agreement, dated as of April 1, 2008 (collectively referred to herein as the “Trust Agreement”), each by and among the Trustee, the City and the Authority, or any successor as therein provided.

This 2008A Certificate is one of the duly authorized certificates of participation entitled “City of Pasadena Refunding Certificates of Participation, Series 2008A” evidencing principal in the aggregate amount of \$[par amount] (the “2008A Certificates”). The 2008A Certificates are on a parity with the City of Pasadena 1993 Certificates of Participation (Refunding and Capital Projects) (the “1993 Certificates”), the City of Pasadena 2003 Variable Rate Demand Certificates of Participation (City Hall and Park Improvement Projects) (the “2003 Certificates”), the City of Pasadena Refunding Certificates of Participation, Series 2004A, the City of Pasadena Refunding Certificates of Participation, Series 2004B (together, the “2004 Certificates”), the City of Pasadena Certificates of Participation (Conference Center Project), Series 2006A (the “2006 Certificates”) each executed under and pursuant to the terms of the Trust Agreement. The 1993 Certificates, the 1996 Certificates, the 2003 Certificates, the 2004 Certificates, the 2006 Certificates, the 2008A Certificates and any Additional Certificates executed and delivered pursuant to the Trust Agreement are collectively referred to herein as the “Certificates.” The Certificates evidence proportionate, undivided interest in Base Rental Payments payable under the Sublease.

Copies of the Trust Agreement are on file at the office of the Trustee in Los Angeles, California, and reference is hereby made to the Trust Agreement and to any and all amendments thereof and supplements thereto for a description of the agreements, conditions, covenants and terms securing the Certificates, for the nature, extent and manner of enforcement of such agreements, conditions, covenants and terms, for the rights and remedies of the registered Owners of the Certificates with respect thereto and for the other agreements, conditions, covenants and terms upon which the Certificates are executed and delivered thereunder. Unless the context otherwise requires, capitalized terms not defined herein shall have the meanings ascribed to them in the Trust Agreement.

The 2008A Certificates shall be in a Weekly Mode until all are converted to another Mode as provided in the Trust Agreement. The interest rate with respect to the 2008A Certificates while in the Weekly Mode shall be the rate of interest per annum determined by the applicable Remarketing Agent on and as of the applicable Rate Determination Date as the minimum rate of interest which, in the opinion of the Remarketing Agent under then-existing market conditions, would result in the sale of 100% of the 2008A Certificates, as applicable, at a price equal to the principal amount thereof, plus interest, if any, accrued through the Rate

Determination Date during the then-current Interest Accrual Period. The Trust Agreement provides that if the Remarketing Agent fails to determine the interest rate, the rate will be an Alternate Rate, as set forth therein.

The Beneficial Owners of 2008A Certificates in a Daily Mode or a Weekly Mode may elect to have their 2008A Certificates (or portions of those 2008A Certificates in amounts equal to an Authorized Denominations) purchased on any Business Day at a price equal to the Purchase Price, upon delivery of a Tender Notice by the Tender Notice Deadline.

The 2008A Certificates, other than the 2008A Certificates in a Fixed Rate Mode, shall be subject to mandatory purchase on each Mandatory Purchase Date. "Mandatory Purchase Date" means: (i) with respect to a Flexible Rate Certificate, the first Business Day following the last day of each Flexible Rate Period with respect to such Certificate, (ii) for 2008A Certificates in the Term Rate Mode, on the first Business Day following the last day of each Term Rate Period, (iii) any Mode Change Date (except a change in Mode between the Daily Mode and the Weekly Mode), (iv) any Substitution Date, (v) the fifth Business Day prior to the Expiration Date (other than as a result of an Automatic Termination Event), and (vi) the date specified by any Credit Provider or Liquidity Provider in a written notice to the Trustee following the occurrence of an event of default (other than an Automatic Termination Event) under the Reimbursement Agreement, which date shall be a Business Day not less than three nor more than five days after the Trustee's receipt of such notice.

This 2008A Certificate represents interest from the Interest Payment Date (as defined below) to which interest has been paid or duly provided for next preceding its date of execution, unless such date of execution shall be (i) prior to the close of business on the first Record Date (as defined below), in which case this 2008A Certificate shall represent interest from April __, 2008, (ii) subsequent to a Record Date but before the related Interest Payment Date, in which case such 2008A Certificate shall represent interest from such Interest Payment Date or (iii) an Interest Payment Date to which interest has been paid in full or duly provided in which case such 2008A Certificate shall represent interest from such date of execution; provided, however, that if, as shown by the records of the Trustee, interest shall be in default, each 2008A Certificate shall represent interest from the last date to which interest has been paid or duly provided for or if no interest has been paid or duly provided for, from April __, 2008. The term "Interest Payment Date" means with respect to the 2008A Certificates: (i) in the Flexible Mode, each Mandatory Purchase Date applicable thereto; (ii) in the Daily Mode or Weekly Mode, the first Business Day of each month; (iii) in a Long-Term Mode, the first February 1 or August 1 following the month in which such Long-Term Mode takes effect or such Series of 2008A Certificates is executed and delivered (if such Series is executed and delivered in a Long-Term Mode), and each February 1 and August 1 thereafter or, upon the receipt by the Trustee of a Favorable Opinion of Bond Counsel, any other six-month interval chosen by the City (beginning with the first such day which is at least three months after the Mode Change Date) and, with respect to a Term Rate Period, the final day of the current Interest Period if other than a regular six-month interval; (v) (without duplication as to any Interest Payment Date listed above) any Mode Change Date, other than a change between a Daily Mode and a Weekly Mode, and each Maturity Date; and (vi) which are Liquidity Provider Certificates, the day set forth in the Reimbursement Agreement. The term "Record Date" means (i) with respect to 2008A Certificates in a Short-Term Mode, the last Business Day before an Interest Payment Date; and (ii) with respect to

2008A Certificates in a Long-Term Mode, the 15th day (whether or not a Business Day) of the month next preceding each Interest Payment Date.

Except as otherwise provided in the Representation Letter, the interest represented by the Certificates shall be payable on each Interest Payment Date by check or draft mailed on the Interest Payment Date by the Trustee to the respective Owners of the Certificates as of the Record Date for such Interest Payment Date at their addresses shown on the books required to be kept by the Trustee pursuant to the provisions of the Trust Agreement. Payments of defaulted interest with respect to any Certificate shall be paid by check or draft to the Owner as of a special record date to be fixed by the Trustee, notice of which special record date shall be mailed to the Owner of the Certificate not less than ten days prior thereto.

The Owner of \$1,000,000 or more in aggregate principal amount represented by the Certificates may request in writing that the Trustee pay the interest represented by such Certificates by wire transfer to an account in the Continental United States and the Trustee shall comply with such request for all Interest Payment Dates following the fifteenth day after receipt of such request.

When a Short-Term Mode is in effect, interest shall be calculated on the basis of a 365/366 day year for the actual number of days elapsed. When a Long-Term Mode is in effect, interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months. Payment shall be made on each Interest Payment Date for unpaid interest accrued to but not including such Interest Payment Date.

To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement may be amended or supplemented by the parties thereto, in some instances without the consent of the registered Owners of the Certificates. No amendment or supplement shall (1) reduce the rate of interest evidenced and represented hereby or extend the time of payment thereof or reduce the amount of the principal evidenced and represented hereby or extend the Principal Payment Date hereof, (2) reduce the percentage of Owners whose consent is required for the execution of any amendment of or supplement to the Trust Agreement, or (3) modify any rights or obligations of the Trustee without its prior written consent thereto.

The Certificates are authorized to be executed and delivered in the form of fully registered Certificates in Authorized Denominations. The Certificates are authorized to be executed and delivered in the form of fully registered Certificates in Authorized Denominations. "Authorized Denominations" means (i) with respect to Capital Appreciation Certificates, an Initial Amount which will equal \$5,000 Final Compounded Amount at maturity or any integral multiple thereof, (ii) with respect to Certificates in a Daily Mode or Weekly Mode, \$100,000 and any integral multiple of \$5,000 in excess thereof, (iii) with respect to Certificates in a Flexible Mode, \$100,000 and any integral multiple of \$1,000 in excess thereof, (iv) with respect to Certificates in a Long-Term Mode, \$5,000 and any integral multiple thereof and (v) with respect to Certificates in an Auction Rate Mode, \$25,000 and any integral multiple thereof.

This 2008A Certificate is transferable or exchangeable by the Owner hereof, in person or by his attorney duly authorized in writing, at the office of the Trustee in Los Angeles, California, or such other place as designated by the Trustee, but only in the manner, subject to the

limitations and upon payment of the charges provided in the Trust Agreement; and upon surrender of this 2008A Certificate for cancellation, accompanied by delivery of a duly executed written instrument of transfer or exchange, a new 2008A Certificate or 2008A Certificates of Authorized Denominations of the same Principal Payment Date equal to the principal amount hereof will be executed and delivered by the Trustee to the Owner thereof in exchange or transfer herefor. The Trustee shall not be required to transfer or exchange any 2008A Certificate during any period in which it is selecting 2008A Certificates for prepayment, nor shall the Trustee be required to transfer or exchange any 2008A Certificate or portion thereof selected for prepayment from and after the date of mailing the notice of prepayment.

The Trustee may treat the Owner hereof as the absolute Owner hereof for all purposes, whether or not this 2008A Certificate shall be overdue, and the Trustee shall not be affected by any knowledge or notice to the contrary; and payment of the interest and principal and prepayment premium, if any, evidenced and represented by this 2008A Certificate shall be made only to such Owner as above provided, which payments shall be valid and effectual to satisfy and discharge the liability evidenced and represented by this 2008A Certificate to the extent of the sum or sums so paid.

The Certificates are subject to prepayment on any date prior to their respective Principal Payment Dates, as a whole, or in part, 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.

The 2008A Certificates maturing on February 1, 2035 are subject to prepayment prior to their stated Principal Payment Dates, in part, from Mandatory Sinking Account Payments, each February 1, commencing February 1, 20__, at the principal amount represented thereby plus accrued interest represented thereby to the date fixed for prepayment, without premium, on the dates and in the principal amounts as set forth in the Third Supplemental Trust Agreement.

The 2008A Certificates in the Flexible Mode are not subject to optional prepayment prior to their respective Purchase Dates. The 2008A Certificates in the Flexible Mode shall be subject to prepayment, at the option of the City, in whole or in part on their respective Purchase Dates at a prepayment price equal to the principal amount thereof.

The 2008A Certificates in the Daily Mode or the Weekly Mode are subject to optional prepayment by the City, in whole or in part, in Authorized Denominations on any date, at a prepayment price equal to the principal amount thereof, plus, accrued interest, if any, from the end of the preceding Interest Accrual Period to the Prepayment Date.

The 2008A Certificates in a Term Rate Mode shall be subject to prepayment, in whole or in part, on their individual Mandatory Purchase Dates, at the option of the City, at a prepayment price equal to the principal amount thereof.

The 2008A Certificates in the Term Rate Mode or Fixed Rate Mode are subject to prepayment in whole on any date or in part on any Interest Payment Date at the prepayment prices set forth below, together with accrued interest, if any, to the prepayment date:

<u>LENGTH OF LONG-TERM INTEREST RATE PERIOD</u>	<u>COMMENCEMENT OF PREPAYMENT PERIOD</u>	<u>PREPAYMENT PRICE</u>
Greater than or equal to 15 years	Tenth anniversary of the commencement of Long-Term Interest Rate Period	102%, declining by 1.0% on each succeeding anniversary of the first day of the prepayment period until reaching 100% and thereafter at 100%
Less than 15 years and greater than or equal to 10 years	Seventh anniversary of the commencement of Long-Term Interest Rate Period	102%, declining by 1.0% on each succeeding anniversary of the first day of the prepayment period until reaching 100% and thereafter at 100%
Less than 10 years and greater than or equal to 5 years	Third anniversary of the commencement of Long-Term Interest Rate Period	101%, declining by 1.0% on each succeeding anniversary of the first day of the prepayment period until reaching 100% and thereafter at 100%
Less than 5 years	Not subject to optional prepayment	

As provided in the Trust Agreement, notice of prepayment hereof or of any part hereof shall be mailed, first class postage prepaid, not less than 30 nor more than 60 days before the prepayment date, to the Owner of this 2008A Certificate at his or her address as it appears in the registration books maintained by the Trustee and to those securities depositories and securities information services specified in the Trust Agreement, but neither failure to receive any such notice nor any defect contained therein shall affect the validity of the proceedings for the prepayment of this 2008A Certificate. If this 2008A Certificate is called for prepayment and payment is duly provided therefor as specified in the Trust Agreement, the interest represented hereby shall cease to accrue.

The Certificates each evidence and represent a proportionate, undivided interest in the Base Rental Payments and enjoy the benefits of a security interest in the money held in the funds established pursuant to the Trust Agreement (other than the Rebate Fund), subject to the provisions of the Trust Agreement permitting the disbursement thereof for or to the purposes and on the conditions and terms set forth therein.

The obligation of the City to pay Base Rental Payments does not constitute an indebtedness of the City 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. The obligation of the City to pay Base Rental Payments does not constitute an indebtedness of the City, the State of California, or

any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction. The obligation of the City to make the Base Rental Payments is subject to abatement during any period in which, by reason of material damage, destruction or title defect, there is substantial interference with the use and occupancy of the Leased Property or portions thereof or if the Leased Property or portions thereof are taken under the power of eminent domain, all as more particularly provided in the Sublease to which reference is hereby made.

The Trustee has no obligation or liability to the registered Owners of the Certificates for the payment of the interest or principal or prepayment premiums, if any, evidenced and represented by the Certificates; but rather the Trustee's sole obligation is to administer, for the benefit of the City and the Authority and the registered Owners of the Certificates, the various funds established under the Trust Agreement. The Authority has no obligation or liability whatsoever to the registered Owners of the Certificates.

The Trust Agreement provides that the occurrences of certain events constitute Events of Default. Subject to certain limitations, the Trustee or the Owners of not less than a majority in aggregate principal amount represented by the Certificates at the time Outstanding shall be entitled to take whatever action at law or in equity may appear necessary or desirable to enforce its rights as assignee.

IN WITNESS WHEREOF, this 2008A Certificate has been executed by the manual signature of an authorized officer of the Trustee acting pursuant to the Trust Agreement.

Date: April __, 2008

THE BANK OF NEW YORK TRUST
COMPANY, N.A., as Trustee

By _____
Authorized Officer

[FORM OF ASSIGNMENT]

For value received, the undersigned do(es) hereby sell, assign and transfer unto _____ the within 2008A Certificate and do(es) hereby irrevocably constitute and appoint _____ attorney to transfer such 2008A Certificate on the register of the Trustee, with full power of substitution in the premises.

Dated: _____

SIGNATURE GUARANTEED BY:

Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within 2008A Certificate in every particular, without alteration or enlargement or any change whatsoever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification
Number or other identifying number of Assignee:

Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within 2008A Certificate in every particular, without alteration or enlargement or any change whatsoever, and the signature(s) must be guaranteed by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

Social Security Number, Taxpayer Identification Number or other identifying number of
Assignee: _____