

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA APPROVING THE EXECUTION AND DELIVERY OF NOT TO EXCEED \$138,000,000 AGGREGATE INITIAL PRINCIPAL AMOUNT OF VARIABLE RATE DEMAND REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2008A, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A THIRD SUPPLEMENTAL TRUST AGREEMENT, A SUPPLEMENT NO. 3 TO LEASE, A SUPPLEMENT NO. 3 TO SUBLEASE, A PURCHASE AGREEMENT, A REIMBURSEMENT AGREEMENT, A REMARKETING AGREEMENT AND OTHER RELATED DOCUMENTS, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT AND APPROVING OTHER RELATED ACTIONS IN CONNECTION THEREWITH

WHEREAS, in 1993, the City of Pasadena (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 Bank of New York Trust Company, N.A., as successor trustee (the "Trustee"), the Pasadena Civic Improvement Corporation (the "Corporation"), the obligations of which have been assumed by the Pasadena Public Financing Authority (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 "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 "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 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 Lease and a Supplement No. 1 to Sublease in order to supplement the Lease and the 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 cause the execution and delivery of additional certificates payable on a parity with the outstanding 1993 Certificates, 2003 Certificates, 2004 Certificates and 2006 Certificates, pursuant to a supplemental trust agreement;

WHEREAS, the City now desires to cause to be executed and delivered an additional series of certificates in an aggregate initial principal amount not to exceed \$138,000,000 and designated as City of Pasadena Variable Rate Demand Refunding Certificates of Participation, Series 2008A (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 City has determined to appoint Sidley Austin, LLP as Special Counsel and Disclosure Counsel and Public Financial Management, Inc. as Financial Advisor for the 2008A Certificates transaction;

WHEREAS, the Trustee, the Authority and the City will enter into a Third Supplemental Trust Agreement (the "Supplemental Trust Agreement"), in order to provide for the execution and delivery of the 2008A Certificates;

WHEREAS, the City has determined to sell the 2008A Certificates initially as variable rate demand certificates;

WHEREAS, the City will enter into a remarketing agreement (the "Remarketing Agreement") with Banc of America Securities LLC, as Remarketing Agent (the "Remarketing Agent") pursuant to which the Remarketing Agent will perform certain duties, including the remarketing of any 2008A Certificates tendered or deemed tendered for purchase;

WHEREAS, the City and, if necessary, the Authority will enter into a reimbursement agreement (the "Reimbursement Agreement") with Bank of America, N.A. (the "Bank")

pursuant to which the Bank will provide a letter of credit to be used by the City to pay the principal and interest with respect to the 2008A Certificates and the purchase price of 2008A Certificates tendered or deemed tendered for purchase but not remarketed;

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

WHEREAS, the City, the Authority and Banc of America Securities LLC will enter into a certificate purchase agreement for the 2008A Certificates (the "Purchase Agreement") pursuant to which the Underwriter will purchase the 2008A Certificates and the City will cause the execution and delivery of the 2008A Certificates to the Underwriter upon certain conditions;

WHEREAS, the Underwriter will distribute an official statement (the "Official Statement") relating to the 2008A Certificates to prospective purchasers of the 2008A Certificates; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such transactions for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND, by the City Council of the City that:

Section 1. Declaration and Findings of City Council. The City Council hereby specifically finds and declares that the actions authorized hereby constitute and are with respect to public affairs of the City, and that the statements, findings and determinations of the City set forth herein, in the preambles above and in the documents approved herein are true and correct.

The City Council hereby finds and determines that the maximum annual fair rental value of the Leased Property (as described in the Sublease Supplement) is currently not less than \$35,000,000 and upon completion of the improvements to the Pasadena Convention Center will not be less than \$50,000,000. In making such determination, the City has given consideration to variety of factors, including the replacement costs of existing improvements on the Leased Property, other obligations of the parties under the Sublease, the uses and purposes which may be served by the improvements on the Leased Property and the benefits therefrom which will accrue to the City and the general public.

Section 2. Approval of Financing. The execution and delivery by the Trustee of the 2008A Certificates in an aggregate initial principal amount not to exceed \$138,000,000, comprised of the 2008A Certificates initially as variable rate demand certificates, is hereby approved.

Section 3. Approval of Professionals. The appointment of Sidley Austin, LLP as Special Counsel and Disclosure Counsel and Public Financial Management, Inc. as Financial Advisor for the 2008A Certificates transaction, is hereby approved;

Section 4. Supplemental Trust Agreement. The form of Supplemental Trust Agreement presented to this meeting and on file with the City Clerk is hereby approved. The City Manager or the Director of Finance is hereby authorized and directed for and on behalf of the City, to execute and deliver said Supplemental Trust Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. Lease Supplement. The form of Lease Supplement presented to this meeting and on file with the City Clerk is hereby approved. The City Manager or the Director of Finance is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver said Lease Supplement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. Sublease Supplement. The form of Sublease Supplement presented to this meeting and on file with the City Clerk is hereby approved. The City Manager or the Director of Finance is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver said Sublease Supplement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. Remarketing Agreement. The form of the Remarketing Agreement presented to this meeting and on file with the City Clerk is hereby approved. The City Manager or the Director of Finance is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver said Remarketing Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the acknowledgement and delivery thereof.

Section 8. Reimbursement Agreement. The form of the Reimbursement Agreement presented to this meeting and on file with the City Clerk is hereby approved. The City Manager or the Director of Finance is hereby authorized and directed, for and in the name and on behalf of the City, to execute said Reimbursement Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the acknowledgement and delivery thereof.

Section 9. Purchase Agreement. The form of Purchase Agreement presented to this meeting and on file with the City Clerk is hereby approved. The City Manager or the Director of Finance is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Purchase Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the acknowledgement and delivery thereof; provided, however, the Underwriter's discount provided therein shall not exceed 0.25% of the par amount of the related series of 2008A Certificates.

Section 10. Official Statement. The form of the Official Statement of the City relating to the 2008A Certificates presented to this meeting and on file with the City Clerk are hereby approved in substantially said forms, with such changes therein as the City Manager or the Director of Finance may require or approve. The City Manager or the Director of Finance is hereby authorized to execute for and on behalf of the City one or more final Official Statements, in substantially the form of the Official Statements presented to this meeting, with such changes therein as the City Manager or the Director of Finance shall approve, such approval to be evidenced by the execution and delivery thereof. The Underwriter is directed to deliver copies of the Official Statement to all actual purchasers of the 2008A Certificates.

Section 11. Attestations. The City Clerk is hereby authorized and directed to attest the signature of the City Manager, the Director of Finance or such other City officers, as may be required or appropriate in connection with the execution and delivery or acknowledgement of said Supplemental Trust Agreement, Lease Supplement, Sublease Supplement, Purchase Agreement, Reimbursement Agreement, Remarketing Agreement, Official Statement or related documents.

Section 12. Other Actions. The City Manager, the Director of Finance, the City Clerk and the other officers of the City are hereby authorized and directed jointly and severally to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the transactions contemplated and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including, without limitation, any actions or the execution of any documents in connection with the securing by the City of any reserve fund deposit in connection with the 2008A Certificates. Such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 13. Effective Date. This Resolution shall take effect from and after its date of passage and adoption.

ADOPTED at a special meeting of the City Council of the City of Pasadena on the \_\_\_th day of March, 2008, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

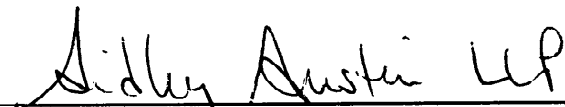
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Jane L. Rodriguez, CMC  
City Clerk

APPROVED AS TO FORM:

  
Michele Beal Bagneris  
City Attorney

APPROVED AS TO FORM:

  
Sidley Austin LLP