

**FEE AGREEMENT**

**DATED [September \_\_, 2014]**

Reference is hereby made to that certain Standby Bond Purchase Agreement dated as of [September \_\_, 2014] (as the same may be amended, supplemented, restated or otherwise modified from time to time, the "Agreement"), by and among the PASADENA PUBLIC FINANCING AUTHORITY (the "Authority"), the CITY OF PASADENA, CALIFORNIA (the "City"), WELLS FARGO BANK, NATIONAL ASSOCIATION, as trustee (the "Trustee") and BANK OF THE WEST, including its successors and assigns (the "Bank"), relating to the Pasadena Public Financing Authority Taxable Variable Rate Demand Lease Revenue Refunding Bonds (Paseo Colorado Parking Facilities), Series 2008 (the "Bonds"). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

The purpose of this Fee Agreement is to confirm the agreement among the Bank, the Authority and the City with respect to, among other things, the Facility Fee (as defined below) and certain other fees payable to the Bank. This Fee Agreement is the Fee Agreement referenced in the Agreement.

ARTICLE I. FEES AND PAYMENTS.

*Section 1.1. Facility Fee.* The Authority hereby agrees to pay or cause to be paid to the Bank on November 3, 2014, for the period commencing on the Closing Date and ending on October 31, 2014, and in arrears on each Quarterly Date (or, if such Quarterly Date is not a Business Day, on the Business Day immediately succeeding such Quarterly Date) occurring thereafter to the Expiration Date, and on the Expiration Date, a non-refundable Facility Fee (the "Facility Fee") with respect to the Available Commitment in an amount equal to the rate per annum (the "Facility Fee Rate") associated with the Rating multiplied by the Available Commitment calculated at all times as though no Tendered Bonds had been purchased by the Bank under the Agreement (for purposes of this Section 1.1 and Section 1.3 of this Fee Agreement only, the Available Commitment shall be deemed not to be reduced during any period for which the Bank's obligation to purchase Bonds has been suspended pursuant to the Agreement) for each day during the related period:

LEVEL	S&P RATING	FITCH RATING	FACILITY FEE RATE
1	A+ or above	A+ or above	0.30%
2	A	A	0.50%
3	A-	A-	0.70%
4	BBB+	BBB+	0.90%
5	BBB	BBB	1.10%
6	BBB- or below	BBB- or below	1.30%

In the event that a relevant rating is suspended, withdrawn or otherwise unavailable from any of the Rating Agencies or upon the occurrence of an Event of Default, the Facility Fee Rate shall

increase by 1.00% from the Facility Fee Rate otherwise in effect immediately preceding such event. The term “*Rating*” as used above shall mean the lowest of the long-term unenhanced ratings assigned to any general fund lease obligation indebtedness of the City by Fitch or S&P. In the event of a split rating (*i.e.*, the relevant rating of one Rating Agency is at a different Level than the relevant rating of the other Rating Agency), the Facility Fee Rate shall be based upon the Level in which the lowest relevant rating appears. Any change in the Facility Fee Rate resulting from a change in the Rating shall be and become effective as of and on the date of the announcement of the change in the Rating. References to ratings above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any such Rating Agency, each of the ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system. The Authority and the Bank acknowledge that as of the Closing Date the Facility Fee Rate is that specified above for Level 1. The Facility Fee shall be payable as set forth above, together with interest on the Facility Fee from the date payment is due until payment in full at the Default Rate. Such fee shall be payable in immediately available funds and computed on the basis of a 360-day year and the actual number of days elapsed.

*Section 1.2. Other Fees.* (a) The Authority agrees to pay to the Bank a fee equal to \$250 for each Purchase made by the Bank under the Agreement during the applicable quarterly period, payable in arrears on each Quarterly Date (or, if such Quarterly Date is not a Business Day, on the Business Day immediately succeeding such Quarterly Date).

(b) Upon each transfer of the Agreement in accordance with its terms or appointment of a successor Trustee or Tender Agent under the Trust Agreement, the Authority agrees to pay the Bank the sum of \$2,500 and to reimburse the Bank for its actual costs and expenses associated with such transfer or appointment (including, without limitation, the reasonable fees and expenses of counsel to the Bank) (and interest on such costs and expenses from the date expended by the Bank to the date reimbursed by the Authority at the Default Rate) payable on the date of such transfer or appointment.

(d) Upon each amendment of the Agreement or this Fee Agreement or any waiver or consent or transfer or assignment in connection with the Agreement or any Financing Document, the Authority agrees to pay the Bank the sum of \$5,000 and to reimburse the Bank for its actual costs and expenses associated with such amendment, waiver or consent (including, without limitation, the reasonable fees and expenses of counsel to the Bank) (and interest on such costs and expenses from the date expended by the Bank to the date reimbursed by the Authority at the Default Rate) payable on the date of such amendment, waiver or consent.

*Section 1.3. Termination and Reduction Fees.* (a) In the event of a termination of the Agreement prior to the second (2nd) anniversary of the Closing Date], the Authority agrees to pay or cause to be paid to the Bank a Termination Fee (a “*Termination Fee*”) in an amount equal to the product of (1) the Facility Fee Rate in effect on the date of such termination, (2) the Available Commitment as of the date of termination (without regard to any reduction in such Available Interest Commitment and the Available Principal Commitment relating to Bonds purchased by the Bank pursuant to that terms of the Agreement) and (3) a fraction, the numerator of which is the number of days from and including the date of such termination to and including

the second (2nd) anniversary of the Closing Date, and the denominator of which is 360; *provided, however*, that such Termination Fee shall not be payable in the event the Facility terminates or the Available Commitment is reduced to zero because (i) an Alternate Liquidity Facility has been delivered and either (A) the short-term debt rating of the Bank has been reduced by Fitch or S&P to below "F1" (or its equivalent) or "A-1" (or its equivalent) or (B) the Bank has imposed increased costs on the City and the Authority pursuant to Section 2.12 or 2.13 of the Agreement, (ii) the Bonds are refinanced in full from a source of funds which does not involve the purchase by, or provision of credit or liquidity support from, a bank or other financial institution or (iii) all of the Bonds are redeemed or defeased from the proceeds of a sale of all or any portion of the Lease Premises. Upon any substitution of an Alternate Liquidity Facility for the Facility, the Authority agrees (i) to cause the provider of such Alternate Liquidity Facility to purchase from the Bank any Bank Bonds at a price equal to the principal amount thereof plus all accrued interest thereon of the Bank Bond Rate and (ii) subject to Section 2.16 of the Agreement, to pay to the Bank any unpaid Deferred Interest and all other obligations of the Authority payable hereunder and under the Agreement.

(b) Notwithstanding anything set forth herein or in the Agreement to the contrary, the Authority agrees not to permanently reduce the Available Commitment prior to the second (2nd) anniversary of the Closing Date, without the payment by the Authority to the Bank of a reduction fee (the "*Reduction Fee*") in connection with each and every permanent reduction of the Available Commitment in an amount equal to the product of (A) the Facility Fee Rate in effect on the date of such reduction, (B) the difference between the Available Commitment (without regard to any reduction in such Available Interest Commitment and the Available Principal Commitment relating to Bonds purchased by the Bank pursuant to that terms of the Agreement) prior to such reduction and the Available Commitment (without regard to any reduction in such Available Interest Commitment and the Available Principal Commitment relating to Bonds purchased by the Bank pursuant to that terms of the Agreement) after such reduction, and (C) a fraction, the numerator of which is the number of days from and including the date of such reduction to and including the second (2nd) anniversary of the Closing Date, and the denominator of which is 360; *provided, however*, that such Reduction Fee shall not be payable in the event the Available Commitment is reduced because all or any portion of the Bonds are redeemed or defeased from the proceeds of a sale of all or any portion of the Lease Premises.

## ARTICLE II. MISCELLANEOUS.

*Section 2.1. Amendments.* No amendment to this Fee Agreement shall become effective without the prior written consent of the Authority, the City and the Bank.

*Section 2.2. Governing Law.* THIS FEE AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK WITH RESPECT TO THE OBLIGATIONS, IF ANY, OF THE BANK AND THE INTERNAL LAWS OF THE STATE OF CALIFORNIA WITH RESPECT TO THE OBLIGATIONS OF THE AUTHORITY AND THE CITY.

*Section 2.3. Counterparts.* This Fee Agreement may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument. This Fee Agreement may be delivered by the

exchange of signed signature pages by facsimile transmission or by attaching a pdf copy to an email, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

*Section 2.4. Severability.* Any provision of this Fee Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

[SIGNATURE PAGE TO FOLLOW.]

IN WITNESS WHEREOF, the parties hereto have caused this Fee Agreement to be duly executed and delivered by their respective officers as of the date first written above.

PASADENA PUBLIC FINANCING AUTHORITY

[Seal]

Attest:

By: \_\_\_\_\_  
Executive Director

CITY OF PASADENA, CALIFORNIA

By: \_\_\_\_\_  
City Manager

[Seal]

Attest:

\_\_\_\_\_  
City Clerk

Approved as to Form:

By: \_\_\_\_\_  
City Attorney

BANK OF THE WEST

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

Name: Edward C. Neu

Title: Director