
PASADENA PUBLIC FINANCING AUTHORITY

and

DEUTSCHE BANK NATIONAL TRUST COMPANY,

as Trustee

SECOND SUPPLEMENTAL
BOND INDENTURE

Dated as of January 1, 2018

\$47,300,000 Original Principal Amount of
PASADENA PUBLIC FINANCING AUTHORITY
VARIABLE RATE DEMAND LEASE REVENUE BONDS
(ROSE BOWL REFINANCING AND IMPROVEMENT PROJECTS), SERIES 2006

SECOND SUPPLEMENTAL BOND INDENTURE

THIS SECOND SUPPLEMENTAL BOND INDENTURE, dated as of January 1, 2018 (this "Second Supplemental Indenture"), is by and between the PASADENA PUBLIC FINANCING AUTHORITY, a joint exercise of powers authority duly created by and existing under the laws of the State of California (the "Authority"), and DEUTSCHE BANK NATIONAL TRUST COMPANY, a national banking association duly organized and existing under the laws of the United States of America (the "Trustee").

WITNESSETH:

WHEREAS, pursuant to the Bond Indenture, dated as of February 1, 2006 (the "Original Indenture"), by and between the Authority and the Trustee, the Authority issued its Pasadena Public Financing Authority Variable Rate Demand Lease Revenue Bonds (Rose Bowl Refinancing and Improvements Projects), Series 2006;

WHEREAS, the Original Indenture was amended and restated by and pursuant to the Bond Indenture, dated as of May 1, 2011 (the "Original Restated Indenture"), by and between the Authority and the Trustee (capitalized undefined terms used herein have the meanings ascribed thereto in the Restated Indenture);

WHEREAS, the Original Restated Indenture was amended and supplemented by and pursuant to the First Supplemental Bond Indenture, dated as of January 1, 2013 (the "First Supplemental Indenture"; the Original Restated Indenture, as amended and supplemented by the First Supplemental Indenture, shall be referred to as the "Restated Indenture"), by and between the Authority and the Trustee;

WHEREAS, the Authority and the Holder of all of the Outstanding Bonds desire to modify and amend certain provisions of the Restated Indenture;

WHEREAS, the Restated Indenture provides that the Restated Indenture and the rights and obligations of the Authority and of the Holders of the Bonds and of the Trustee may be modified or amended from time to time and at any time by an indenture or indentures supplemental thereto, which the Authority and the Trustee may enter into when the written consent of the Holders of a majority in aggregate principal amount of all Bonds then Outstanding and the Majority Holder shall have been filed with the Trustee;

WHEREAS, the Restated Indenture provides that, so long as the Bonds bear interest at a Bank Index Interest Rate, the Majority Holder shall be deemed to be the owner of the Bonds for the purpose of all approvals, consents, waivers or institution of any action and the direction of all remedies, except as otherwise provided therein;

WHEREAS, the Bonds presently bear interest at a Bank Index Interest Rate;

WHEREAS, the Majority Holder is the Holder of all of the Outstanding Bonds;

WHEREAS, the Majority Holder has consented to this Second Supplemental Indenture;

and

WHEREAS, all acts and proceedings required by law necessary to constitute this Second Supplemental Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken in due time, form and manner, and the execution and delivery of this Second Supplemental Indenture have been in all respects duly authorized;

NOW, THEREFORE, in consideration of the covenants and provisions herein set forth and for other valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

Section 1. Amendment of Section 1.01. The definition “Initial Bank Purchase Date” in Section 1.01 of the Restated Indenture is hereby amended to read in full as follows:

“Initial Bank Purchase Date” means January 2, 2019.

Section 2. Amendment of Section 1.01. The definition of “Applicable Factor” in Section 1.01 of the Restated Indenture is hereby amended to read in full, as follows:

“Applicable Factor” means (i)(1) during the period beginning on the Remarketing Date and ending on January 2, 2018, within the Initial Bank Index Interest Rate Period, 65%, (2) during the period beginning on January 3, 2018, and ending on the Initial Bank Purchase Date within the Initial Bank Index Interest Rate Period, 67%, and (ii) during any other period that the Bonds bear interest at a Bank Index Interest Rate, 67%, or such other percentage as may be designated in writing by the City as the Applicable Factor for such period that the Bonds bear interest at the Bank Index Interest Rate pursuant to Section 2.07(b)(x) hereof.

Section 3. Amendment of Section 1.01. Clause (i) of the definition of “Applicable Spread” in Section 1.01 of the Restated Indenture is hereby amended to read in full, as follows:

(i) (1) During the period beginning on the Remarketing Date and ending on January 2, 2018, the Initial Bank Index Interest Rate Period, initially 75 basis points (0.75%), which Applicable Spread is subject to the maintenance of the current ratings assigned by S&P and Fitch to the long-term, unenhanced general fund lease obligation indebtedness of the City. In the event of a change in the credit rating assigned by S&P or Fitch to the long-term, unenhanced general fund lease obligation indebtedness of the City, the Applicable Spread shall be the number of basis points associated with such new rating as set forth in the following schedule:

Credit Rating		Applicable Spread
S&P	Fitch	
AA- or higher	AA- or higher	0.75%
A+	A+	1.05%
A	A	1.05%
A-	A-	1.35%
BBB+	BBB+	1.60%
BBB	BBB	1.95%
BBB-	BBB-	2.45%

In the event of a split among such ratings, the lowest rating will prevail for purposes of determining the Applicable Spread. Any change in the Applicable Spread shall apply to the Interest Period next succeeding the Interest Period during which any such change occurs.

(2) During the period beginning on January 3, 2018, and ending on the Initial Bank Purchase Date within the Initial Bank Index Interest Rate Period, initially 80 basis points (0.80%), which Applicable Spread is subject to the maintenance of the current ratings assigned by S&P and Fitch to the long-term, unenhanced general fund lease obligation indebtedness of the City. In the event of a change in the credit rating assigned by S&P or Fitch to the long-term, unenhanced general fund lease obligation indebtedness of the City, the Applicable Spread shall be the number of basis points associated with such new rating as set forth in the following schedule:

Credit Rating		Applicable Spread
S&P	Fitch	
AA or above	AA or above	0.80%
AA-	AA-	0.85%
A+	A+	0.95%
A	A	0.95%
A-	A-	0.95%
BBB+	BBB+	1.25%
BBB	BBB	2.00%
BBB-	BBB-	3.00%
Below BBB-	Below BBB-	Default Rate

In the event of a split among such ratings, the lowest rating will prevail for purposes of determining the Applicable Spread. Any change in the Applicable Spread shall apply to the Interest Period next succeeding the Interest Period during which any such change occurs.

Section 4. Amendment of Section 1.01. The definition of "LIBOR Index" in Section 1.01 of the Indenture is hereby amended to read in full, as follows:

"LIBOR Index" means, for any day, the London interbank offered rate for U.S. dollar deposits for a one-month period, as reported on Reuters LIBOR01 Page (or any successor) as of 11:00 a.m., London time, on such day, or if any day is not a London Business Day, on the next preceding London Business Day; provided that, if any such rate is not reported on a London Business Day, LIBOR Index shall mean the rate as determined by the Calculation Agent from another recognized source or interbank quotation. Notwithstanding the forgoing, if the LIBOR Index as provided above would be less than zero percent (0.0%), then the LIBOR Index shall be deemed to be zero percent (0.00%) for purposes of this definition.

Section 5. Amendment of Article II. Article II of the Indenture is hereby amended by adding a new Section 2.22 thereto, immediately succeeding Section 2.21 thereof, such new Section 2.22 to read in entirety as follows:

Section 2.22 Article 8 of the UCC. At any time during which the Bonds are Bank Index Rate Bonds, each Holder of the Bonds shall be deemed to have expressly opted out of Article 8 of the Uniform Commercial Code of the State.

Section 6. Effect of Second Supplemental Indenture. This Second Supplemental Indenture and all of the terms and provisions herein contained shall form part of the Restated Indenture as fully and with the same effect as if all such terms and provisions had been set forth in the Restated Indenture. The Restated Indenture is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as heretofore amended and supplemented, and as amended and supplemented hereby. If there shall be any conflict between the terms of this Second Supplemental Indenture and the terms of the Restated Indenture (as in effect on the day prior to the effective date of this Second Supplemental Indenture), the terms of this Second Supplemental Indenture shall prevail.

Section 7. Execution in Several Counterparts. This Second Supplemental Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 8. Effective Date of Second Supplemental Indenture. This Second Supplemental Indenture shall take effect on January 23, 2017.

IN WITNESS WHEREOF, the Authority has caused this Second Supplemental Indenture to be signed in its name by its officer thereunto duly authorized, and the Trustee has caused this Second Supplemental Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

**PASADENA PUBLIC FINANCING
AUTHORITY**

By: _____
Steve Mermell, Executive Director

ATTEST:

Mark Jomsky, Secretary

**DEUTSCHE BANK NATIONAL TRUST
COMPANY, AS TRUSTEE**

By: _____
Authorized Representative

By: _____
Authorized Representative

APPROVED AS TO FORM:

Javan N. Rad
Chief Assistant City Attorney

BOND COUNSEL:

Orrick, Herrington & Sutcliffe LLP
Bond Counsel