

RESOLUTION NO. ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA AUTHORIZING AND DIRECTING THE ISSUANCE AND SALE OF NOT TO EXCEED \$195,000,000 AGGREGATE PRINCIPAL AMOUNT OF ITS GENERAL OBLIGATION BONDS (CENTRAL LIBRARY PROJECT) SERIES 2025, DECLARING ITS OFFICIAL INTENT TO REIMBURSE AND APPROVING OTHER RELATED ACTIONS IN CONNECTION THEREWITH

WHEREAS, by Resolution No. 10069, adopted by the City Council (the "City Council") of the City of Pasadena (the "City") on July 22, 2024, it was determined and declared that public interest and necessity demand the need for seismic retrofitting, repairs and upgrades to the City's Central Library, including design, construction, improvement and renovation thereto and related costs necessary or convenient for the foregoing purposes (the "Project"); and

WHEREAS, by Ordinance No. 7430 passed by the City Council on July 29, 2024, signed by the Mayor on July 29, 2024, and effective on August 8, 2024 (the "Bond Ordinance"), the City Council duly called an election to be held on November 5, 2024 (the "Bond Election"), for the purpose of submitting to the qualified voters of the City such proposition to incur bonded indebtedness of the City in the amount of \$195,000,000 to finance the Project; and

WHEREAS, a duly called election was held in the City on November 5, 2024 (the "Bond Election"), and thereafter canvassed pursuant to law at which the following bond proposition ("Measure PL") summarized as follows was submitted to the electors of the City:

"PASADENA CENTRAL LIBRARY EARTHQUAKE RETROFIT, REPAIR, UPGRADE MEASURE. Shall the measure to earthquake retrofit the 97-year-old library building; meet current fire safety regulations; replace the leaky roof; remove asbestos/mold/lead paint; update outdated technology; restore Pasadena Central Library services by the City of Pasadena issuing \$195,000,000 in bonds at legal rates, levying \$28.90 per \$100,000 of assessed valuation, generating \$12,000,000 annually while bonds are outstanding, requiring independent audits, public spending disclosure, all funds staying local, be adopted?"; and

WHEREAS, Measure PL was approved by two-thirds of the qualified voters of the City voting on such measure and declaration of such Bond Election results was made by the City Council pursuant to Resolution No. 10103 on December 9, 2024; and

WHEREAS, the City Council has determined, and does hereby declare, that it is necessary and desirable that all of such bonds designated generally as "City of Pasadena, California General Obligation Bonds (Central Library Project) Series 2025" (the "Bonds") in the aggregate principal amount not to exceed \$195,000,000, representing the total amount authorized, be issued and sold in a single series on a tax-exempt basis, for the purposes authorized and on the conditions set forth in this Resolution to finance a portion of the costs of the Project; and

WHEREAS, the Bonds will be payable from proceeds of the annual tax levy, as provided herein; and

WHEREAS, the Bonds are being issued pursuant to (i) this Resolution duly adopted by the City Council, (ii) Title 5, Division 2, Part 1, Chapter 3, Article 4.5 and Chapter 4 (commencing with section 43600) of Division 4 Title 4 of the California Government Code, (iii) the Charter of the City (the “Charter”), (iv) the Bond Ordinance, and (v) a duly held election; and

WHEREAS, there shall be delivered a certificate of a duly authorized officer of the City, concurrently with the issuance of the Bonds stating that the outstanding general obligation bond indebtedness of the City, including the Bonds to be issued, will not exceed three percent of the assessed value of all taxable real and personal property located within the City in compliance with Article IX of the Charter; and

WHEREAS, the City Council recognizes that Urban Futures, Inc. has been engaged to act as Municipal Advisor (the “Municipal Advisor”) to the City, Norton Rose Fulbright US LLP has been engaged as bond counsel (“Bond Counsel”) and as disclosure counsel (“Disclosure Counsel”) to the City with respect to the Bonds; and

WHEREAS, the City Council desires U.S. Bank Trust Company, National Association, Los Angeles, California, to serve as the fiscal agent (the “Fiscal Agent”) for the Bonds; and

WHEREAS, there have been submitted and are on file with the City Clerk proposed forms of the Preliminary Official Statement, Fiscal Agent Agreement, Notice of Sale, and Continuing Disclosure Agreement, all relating to the Bonds proposed to be issued and sold;

WHEREAS, Section 5852.1 of the Government Code requires that the City Council obtain from an underwriter, municipal advisor or private lender and disclose, prior to authorization of the issuance of bonds with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

WHEREAS, in compliance with said section, the City Council has obtained from the Municipal Advisor the required good faith estimates for the Bonds and set forth in Appendix A attached to this Resolution, and such information is hereby disclosed and made public; 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.

Section 2. Conditions Precedent. All conditions, things and acts required by law to exist, to happen and to be performed precedent to the adoption of this Resolution authorizing the issuance of the Bonds exist, have happened and have been performed in due time, form and manner in accordance with applicable law, and the City is now authorized pursuant to the Charter and applicable law to incur indebtedness in the manner and form provided in this Resolution.

Section 3. Issuance and Sale of the Bonds; Determination of Certain Terms; Designation. The City Council authorizes the issuance and sale of not to exceed \$195,000,000 in aggregate principal amount of Bonds to be designated as “City of Pasadena, California General Obligation Bonds (Central Library Project) Series 2025,” for the purposes set forth in the Bond Ordinance and Measure PL approved by the voters at the Bond Election.

The Director of Finance of the City or a designee thereof (“Director of Finance”) is authorized to determine, for the Bonds, the sale date, the interest rates, the definitive principal amount, the maturity dates and the redemption dates, if any, and the terms of any optional or mandatory redemption, subject to the other specific provisions of this Resolution, including the following terms and conditions: (a) the Bonds shall not have a true interest cost (as such term is defined in the Notice of Sale (as defined in Section 13) for the Bonds) in excess of 12%; and (b) the Bonds may have a duration up to 30 years from their date of issuance. The Director of Finance is hereby authorized to modify the general designation of the Bonds if in his or her sole discretion a different designation is in the best interest of the City for administrative, marketing or descriptive purposes.

Section 4. Authentication and Registration. The Fiscal Agent Agreement for the Bonds shall set forth the form of Bond, with such necessary or appropriate variations, omissions and insertions as may be permitted by resolution. “CUSIP” identification numbers may be imprinted on the Bonds, but such numbers shall not constitute a part of the contract evidenced by the Bonds and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and to pay for the Bonds. In addition, failure on the part of the City to use such CUSIP numbers in any notice to owners of the Bonds shall not constitute an event of default or any violation of the City's contract with such owners and shall not impair the effectiveness of any such notice.

The Bonds shall be signed by the Mayor of the City (the “Mayor”) and countersigned by the City Clerk of the City as provided in the Fiscal Agent Agreement. In case such officer(s) whose signature(s) or countersignature(s) appear(s) on a Bond shall cease to be such officer(s) before the delivery of such Bond to the purchaser, such signature(s) or countersignature(s) shall nevertheless be valid and sufficient for all purposes as if the officer(s) had remained in office until the delivery of such Bond.

The officers of the City are directed to cause the Bonds to be prepared in sufficient quantity for delivery to or for the account of their purchaser and the Director of Finance is directed to cause

the blanks in the Bonds to be completed in accordance with this Resolution and the Bond Award (as defined below), to procure their execution by the proper officers of the City and authentication by the Fiscal Agent as provided in the Fiscal Agent Agreement, and to deliver the Bonds when so executed and authenticated to the purchaser in exchange for the purchase price, all in accordance with this Resolution and the Fiscal Agent Agreement. Only Bonds bearing a certificate of authentication and registration executed by the Fiscal Agent shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution.

Books for the registration and transfer of the Bonds shall be kept by the Fiscal Agent as provided in the Fiscal Agent Agreement. The Director of Finance and the Fiscal Agent may treat the registered owner of each Bond as its absolute owner for all purposes, and the Director of Finance and the Fiscal Agent shall not be affected by any notice to the contrary.

Section 5. Transfer or Exchange and Registration of Bonds. Any Bond may be transferred or exchanged in accordance with its terms and the terms of the Fiscal Agent Agreement. Each Bond shall be registered in accordance with the terms of the Fiscal Agent Agreement.

Section 6. Terms of the Bonds; Redemption of the Bonds.

(a) *Date of the Bonds.* The Bonds shall be dated the date of their delivery or such other date (“Dated Date”) as is specified in the Bond Award.

(b) *Denominations.* The Bonds shall be issued in fully registered form, without coupons, in the denomination of \$5,000 principal amount or any integral multiple thereof, provided that no Bond shall mature on more than one maturity date.

(c) *Maturity.* The Bonds shall mature on the date or dates, in each of the years, and in such principal amounts as shall be set forth in the Bond Award and the Fiscal Agent Agreement.

(d) *Payment of the Bonds.* The principal and any redemption premium of the Bonds shall be payable in lawful money of the United States of America to the owner thereof, upon the surrender thereof at the office of the Fiscal Agent designated for the purpose, as provided in the Fiscal Agent Agreement. The interest on the Bonds shall be payable in like lawful money to the person whose name appears on the bond registration books of the Fiscal Agent as the person in whose name such Bond is registered thereof as of the close of business on the applicable record date for each interest payment date, whether or not such day is a Business Day, as provided in the Fiscal Agent Agreement.

“Business Day” shall mean a day which is not (a) a Saturday, Sunday or legal holiday in the State of California, (b) a day on which banking institutions in the State of California, or in any state in which the office of the Fiscal Agent is located, are required or authorized by law (including executive order) to close, or (c) a day on which the New York Stock Exchange is closed.

(e) *Redemption of the Bonds.* The Bonds are subject to optional and mandatory sinking fund redemption prior to their respective stated maturity dates as set forth in the Fiscal Agent Agreement and in the Bonds.

Section 7. Appointment of Depositories and Other Agents. The Director of Finance is authorized and directed to appoint one or more depositories as he or she may deem desirable. The City will not have any responsibility or obligation to any purchaser of a beneficial ownership interest in any Bonds or to any participants in such a depository with respect to (a) the accuracy of any records maintained by such securities depository or any participant therein; (b) any notice that is permitted or required to be given to the owners of Bonds under this Resolution; (c) the selection by such securities depository or any participant therein of any person to receive payment in the event of a partial redemption of Bonds; (d) the payment by such securities depository or any participant therein of any amount with respect to the principal or redemption premium, if any, or interest due with respect to Bonds; (e) any consent given or other action taken by such securities depository as the owner of Bonds; or (f) any other matter.

The Depository Trust Company, New York New York (“DTC”) is appointed as depository for the Bonds. The Bonds shall be initially issued in book-entry form. Upon initial issuance, the ownership of each Bond shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. So long as each Bond is registered in book-entry form, each Bond shall be registered in the name of Cede & Co. or in the name of such successor nominee as may be designated from time to time by DTC or any successor as depository as provided in the Fiscal Agent Agreement.

The Director of Finance is also authorized and directed to appoint one or more agents as he or she may deem necessary or desirable, to the extent permitted by applicable law and under the supervision of the Director of Finance, such agents may serve as paying agent, fiscal agent, escrow agent or registrar for the Bonds or may assist the Director of Finance in performing any or all of such functions and such other duties as the Director of Finance shall determine. Such agents shall serve under such terms and conditions as the Director of Finance shall determine. The Director of Finance may remove or replace agents appointed pursuant to this paragraph at any time.

The City Treasurer or the Director of Finance is also authorized and directed to appoint a rebate calculation agent as he or she may deem necessary or desirable. Such agent shall serve under such terms and conditions as the City Treasurer or the Director of Finance shall determine. The City Treasurer or the Director of Finance may remove or replace such agent appointed pursuant to this paragraph at any time.

Section 8. Tax Levy; Pledge of Tax Revenue Fund and Bond Fund.

(a) Tax Levy. For the purpose of paying the principal of and interest on the Bonds, the City Council at the time of fixing the general tax levy shall fix, and in the manner provided for such general tax levy, levy and collect annually until the Bonds are paid, or until there shall be a sum set apart for that purpose in the treasury of the City sufficient to meet all sums coming due for payment of principal of and interest on the Bonds, a tax sufficient to pay the annual interest on the Bonds as the same becomes due and also such part of the principal thereof as shall become due before the proceeds of a tax levied at the time for making the next general tax levy can be made available for the payment of such interest or principal; provided, however, that in fixing such tax levy for each fiscal year, the City Council shall take into account amounts then on deposit in the

Tax Revenues Fund pursuant to this subsection (a), if such amounts will be available to pay debt service on the Bonds.

Such tax shall be in addition to all other taxes levied for City purposes, shall be collected at the time and in the same manner as other taxes of the City are collected, and shall be used only for the payment of the Bonds and the interest thereon.

All taxes collected pursuant to this Section 8(a) shall be deposited forthwith in a special fund to be designated as the "Tax Revenues Fund," which shall be a special fund to be designated as the "General Obligation Bonds (Central Library Project) Tax Revenues Fund" (the "Tax Revenues Fund"). The Tax Revenues Fund and all accounts therein shall be established, maintained and administered by the Director of Finance pursuant to this Resolution and the Fiscal Agent Agreement. The Director of Finance shall cause amounts on deposit in the Tax Revenues Fund to be transferred to the Fiscal Agent for payment of the principal of, premium, if any, and interest on outstanding Bonds when due. The Tax Revenues Fund shall be kept separate and apart from all other funds, and each account therein shall be kept separate and apart from all other accounts. Additional accounts and subaccounts within the Tax Revenues Fund may be established.

Pursuant to this Section 8(a) there shall be established a special fund to be designated as the "General Obligation Bonds (Central Library Project) Bond Fund" (the "Bond Fund"). The Bond Fund and all accounts therein shall be maintained and administered by the Fiscal Agent pursuant to this Resolution and the Fiscal Agent Agreement. The Bond Fund shall be kept separate and apart from all other funds, and each account therein shall be kept separate and apart from all other accounts. Additional accounts and subaccounts within the Bond Account may be established.

The Fiscal Agent shall deposit in the Bond Fund from the proceeds of sale of the Bonds, all or a portion of the moneys received on account of original issue premium and interest accrued on the Bonds to the date of payment of the purchase price thereof as directed by the City, and such other moneys, if any, as may be specified in the Fiscal Agent Agreement. So long as any of the Bonds are outstanding, moneys in the Bond Fund shall be used and applied by the Fiscal Agent solely for the purpose of paying the principal of and interest on the Bonds as such principal and interest shall become due and payable, or for purchase of Bonds; provided, however, that when all of the principal of and interest on the Bonds have been paid, any moneys then remaining in such Bond Fund shall be transferred to the City for any legally permitted purpose.

The City Council shall take such actions annually as are necessary or appropriate to cause the debt service on the Bonds due in any fiscal year to be included in the budget for such fiscal year and to make the necessary appropriations therefor.

(b) Pledge. The Tax Revenues Fund and the Bond Fund and all accounts and amounts on deposit therein are hereby pledged for the payment of the principal of and interest on the Bonds when and as the same become due, including the principal of any term Bonds required to be paid upon the mandatory sinking fund redemption thereof. In addition, the payment of such principal and interest shall be secured by the statutory lien of California Government Code Section 53515, to the extent applicable to the amounts on deposit in the Bond Fund. Each and every Bond issued

under this Resolution shall be equally and ratably secured by the pledge of this subsection (b), the foregoing statutory lien, and the taxes collected pursuant to this Section 8.

Section 9. Administration and Disbursements From Bond Fund.

(a) Interest. On or before five (5) Business Days prior to March 1 and September 1 in each year that any of the Bonds are outstanding, the Director of Finance shall transfer from the Tax Revenues Fund to the Fiscal Agent to set aside in a special account to be designated as the “Interest Account,” which shall be an account within the Bond Fund, an amount which will be equal to the aggregate amount of the interest becoming due and payable on each the Bonds outstanding on the such Interest Payment Date, for the purpose of paying the interest on the Bonds.

(b) Principal. On or before five (5) Business Days prior to September 1 in each year that any of the Bonds are outstanding, the Director of Finance shall transfer from the Tax Revenues Fund to the Fiscal Agent to set aside in a special account to be designated as the “Principal Account,” which shall be an account within the Bond Fund, an amount which will be equal to the principal on the Bonds outstanding that will become due and payable on such September 1, including those Bonds subject to mandatory redemption on such date pursuant to the provisions of the Fiscal Agent Agreement, for the purpose of paying the principal and mandatory redemption of the Bonds.

All moneys in the Bond Fund shall be used and withdrawn by the Fiscal Agent solely for the purpose of paying the principal of (including mandatory redemption), premium, if any, and interest on the Bonds as the same shall become due and payable.

Section 10. Capital Project Fund. There is hereby established a special project fund to be designated as the “General Obligation Bonds (Central Library Project) Capital Project Fund” (the “Capital Project Fund”), and established therein a special account to be designated as the “General Obligation Bonds (Central Library Project) Costs of Issuance Account of the Capital Project Fund” (the “Costs of Issuance Account”), and a special account to be designated as the “General Obligation Bonds (Central Library Project) Project Account of the Capital Project Fund” (the “Project Account”). The Capital Project Fund shall be maintained by the Fiscal Agent, as a separate fund, segregated and distinct from all other funds and accounts. The Fiscal Agent may establish such accounts and subaccounts within the Capital Project Fund, in addition to the Costs of Issuance Account and the Project Account, as may be necessary or convenient in connection with the administration of the Project or the Bonds.

All of the proceeds of the sale of the Bonds (excluding premium and accrued interest received thereon, unless otherwise directed by the Director of Finance) shall be deposited by the Fiscal Agent to the credit of the Project Account within the Capital Project Fund and shall be applied exclusively to the objects and purposes of the Project in accordance with the Fiscal Agent Agreement. Work on the Project, where required by California law, shall be done in accordance with the State Historical Building Code (Part 2.7 (commencing with Section 18950) of Division 13 of the California Health and Safety Code).

When such objects and purposes have been accomplished, any moneys remaining in the Project Account of the Capital Project Fund, shall be transferred to the Bond Fund established

pursuant to Section 8 hereof and applied to the payment of the principal of and interest on the Bonds.

A portion of the premium and accrued interest received on the Bonds as directed by the Director of Finance shall be deposited by the Fiscal Agent to the credit of the Costs of Issuance Account within the Capital Project Fund. Amounts in the Costs of Issuance Account may be applied to the payment of costs of issuance of the Bonds, including, without limitation, underwriter's discount, bond and financial printing expenses, mailing and publication expenses, rating agency fees, and the fees and expenses of fiscal agents, paying agents, registrars, financial consultants, bond counsel and disclosure counsel, in accordance with the Fiscal Agent Agreement.

Section 11. Defeasance Provisions. Payment of all or any portion of the Bonds may be provided for prior to such Bonds' respective stated maturities as set forth in Section 4.03 of the Fiscal Agent Agreement.

Section 12. Tax Covenants.

(a) Definitions. When used in this Section, the following terms have the following meanings:

“*Closing Date*” means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor.

“*Code*” means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

“*Computation Date*” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“*Final Computation Date*” has the meaning set forth in Section 1.148-3(e)(2) of the Regulations.

“*Gross Proceeds*” means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

“*Investment*” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“*Nonpurpose Investment*” means any investment property, as defined in Section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

“*Rebate Amount*” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“*Regulations*” means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific

Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

“*Yield*” of:

(i) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and

(ii) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the final payment on the Bonds:

(i) exclusively own, operate and possess all property, the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(ii) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (i) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (ii) capacity

in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (iii) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final stated maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield of any Investment acquired with Gross Proceeds, whether then held or previously disposed of, exceeds the Yield of the Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by Section 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Reporting. The City shall timely file the information required by Section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder:

(i) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last outstanding Bond is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds with other money of the City; provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(ii) Not less frequently than each Computation Date, the City shall calculate the Rebate Amount in accordance with rules set forth in Section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the Final Computation Date.

(iii) As additional consideration for the purchase of the Bonds by the initial purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to ensure the excludability of the interest thereon from gross income for federal income tax purposes, the City shall pay to the United States the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date, 100% of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, 90% of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by Section 148(f) of

the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(iv) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (ii) and (iii), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within 180 days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the final payment on the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Section 25(h) above because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) Elections. The City directs and authorizes the Director of Finance and the City Treasurer, either or any combination of them, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Tax Certificate or similar or other appropriate certificate, form or document.

Section 13. Supplemental Resolutions. For any one or more of the following purposes and at any time or from time to time, a supplemental resolution of the City may be adopted, which, without the requirement of consent of the owners of the Bonds, shall be fully effective in accordance with its terms:

(a) To add to the covenants and agreements of the City in this Resolution, other covenants and agreements to be observed by the City which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(b) To add to the limitations and restrictions in this Resolution, other limitations and restrictions to be observed by the City which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(c) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by this Resolution as then in effect, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this Resolution;

(d) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Resolution; or

(e) To make such additions, deletions or modifications as shall not be materially adverse to the owners of the Bonds.

Any modification or amendment of this Resolution and of the rights and obligations of the City and of the owners of the Bonds, in any particular, may be made by a supplemental resolution,

with the written consent of the owners of at least a majority in aggregate principal amount of the Bonds outstanding at the time such consent is given (except as provided in the preceding paragraph). No such modification or amendment shall permit a change in the terms or maturity of the principal of any outstanding Bonds or of any interest payable thereon or a reduction in the principal amount thereof or in the rate of interest thereon, or shall reduce the percentage of Bonds the consent of the owners of which is required to effect any such modification or amendment, or shall reduce the amount of moneys for the repayment of the Bonds, without the consent of all the owners of such affected Bonds.

Section 14. Fiscal Agent Agreement. The form of the Fiscal Agent 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 Fiscal Agent 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 15. Continuing Disclosure Agreement. The form of the Continuing Disclosure 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 Continuing Disclosure 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 16. Sale of the Bonds. The City Manager or the Director of Finance is hereby authorized to elect to sell the Bonds by competitive sale under a Notice of Sale.

The form of the Notice of Sale 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 to conduct the competitive sale of the Bonds in accordance with the Notice of Sale 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.

The City Manager or the Director of Finance is hereby authorized to award the Bonds to the responsible bidder whose bid (i) is timely received and conforms to the Notice of Sale, except to the extent informalities and irregularities are waived by the City as permitted by the Notice of Sale; and (ii) represents the lowest true interest cost to the City in accordance with the procedures described in the Notice of Sale (the "Bond Award"). The Bond Award, if made, shall be set forth in a certificate signed by the City Manager or Director of Finance setting forth the terms of the Bonds and the original purchasers.

Pursuant to Section 53692 of the Government Code, Norton Rose Fulbright US LLP, as Bond Counsel, is hereby authorized and directed to cause a notice of the intention to sell the Bonds to be published and disseminated among prospective bidders of the Bonds, in form and substance acceptable to said firm, in the manner required by applicable law.

Section 17. Official Statement. The form of the preliminary Official Statement of the City relating to the Bonds presented to this meeting and on file with the City Clerk is hereby approved in substantially said form, 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 certify that the preliminary Official Statement, with such changes therein as the officer so certifying shall approve, are, as of their respective dates “deemed final” for purposes of Rule 15c2-12 of the Securities and Exchange Commission. The City Manager or the Director of Finance is hereby authorized to execute for and on behalf of the City the final Official Statement, in substantially the form of the preliminary Official Statement, with such changes therein (and additions thereto to reflect the terms of the sale of the Bonds) as the City Manager or the Director of Finance shall approve, such approval to be evidenced by the execution and delivery thereof. The successful bidder for the Bonds are hereby authorized to distribute the Official Statement and any such amendment or supplement thereto to the purchasers of the Bonds.

Section 18. Disposition of Proceeds of Sale. The proceeds of sale of the Bonds shall be applied by the Fiscal Agent as directed by the Director of Finance as further specified in the Fiscal Agent Agreement, as follows: (a) accrued interest, if any, shall be deposited into the Interest Account of the Bond Fund; (b) a portion of the premium, if any, shall be deposited into the Interest Account of the Bond Fund in such amount not to exceed three years of interest on the Bonds; (c) a portion of the premium, if any, shall be deposited into the Costs of Issuance Account of the Capital Project Fund, and (d) remaining proceeds of sale shall be deposited into the Project Account of the Capital Project Fund established under Section 10.

Section 19. 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 Fiscal Agent Agreement, Official Statement or related documents.

Section 20. Approval of Professionals. The appointment of Norton Rose Fulbright US LLP as Bond Counsel and Disclosure Counsel is hereby ratified and approved. The appointment of Urban Futures, Inc. as Municipal Advisor is hereby ratified and approved.

Section 21. Accountability Reports. The Bonds are subject to accountability requirements under the Bond Ordinance. Accountability report(s) with respect to the Bonds shall be submitted in all other respects in the manner required by the Bond Ordinance.

Section 22. Reimbursement Resolution. The City Council hereby declares the City’s reasonable official intent to reimburse the City with the proceeds of the Bonds for expenditures with respect to the Project made on and after 60 days prior to the adoption of this Resolution. The maximum principal amount of the Bonds expected to be issued for the Project is \$195,000,000. The City will make a reimbursement allocation, which is a written allocation by the City that evidences the City’s use of proceeds of the Bonds to reimburse an expenditure, no later than 18 months after the later of the date on which the expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the expenditure is paid. The City recognizes that exceptions are available for certain “preliminary expenditures,” costs of issuance, certain de minimis amounts, expenditures by “small issuers” (based on the year of issuance and not the year of expenditure) and expenditures for construction projects of at least 5 years.

Section 22 of this Resolution is adopted for purposes of establishing compliance with the requirements of section 1.150-2 of the Treasury Regulations promulgated under the Internal Revenue Code of 1986, as amended.

Section 23. Other Actions. The City Manager, the Director of Finance, the City Treasurer, 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. Such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 24. Effective Date. This Resolution shall take effect from and after its date of passage and adoption, and the authorization hereunder shall expire 180 days from the date of passage and adoption, unless the Bonds have been issued on or prior to such date.

ADOPTED at a meeting of the City Council of the City of Pasadena on the 7th day of April, 2025, by the following vote:

AYES:


NOES:

ABSENT:

ABSTAIN:


Mark Jomsky
City Clerk

APPROVED AS TO FORM:



Michele Beal Bagnaris
City Attorney

APPROVED AS TO FORM:



Stepan A. Haytayan
Norton Rose Fulbright US LLP

APPENDIX A

Government Code Section 5852.1 Disclosure

The following information consists of estimates that have been provided by the City's municipal advisor and have been represented by such party to have been provided in good faith:

1. *True Interest Cost.* Assuming a par amount of \$195,000,000 of the Bonds is sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is 4.42%.
2. *Finance Charge.* A good faith estimate of the finance charge of the Bonds, which means the sum of all fees and charges paid to third parties, is \$1,375,000.
3. *Amount of Proceeds to Be Received.* A good faith estimate of the amount of proceeds expected to be received for sale of the Bonds less the finance charge of the Bonds described in paragraph 2 above and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is \$195,000,000.
4. *Total Payment Amount.* Assuming a par amount of \$195,000,000 is sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay debt service on the Bonds plus the finance charge of the Bonds described in paragraph 2 above not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is \$368,560,000 .

The foregoing estimates constitute good faith estimates only. The principal amount of the Bonds, the true interest cost of the Bonds, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to: (a) the actual date of the sale of the Bonds being different than the date assumed for purposes of such estimates; (b) the actual principal amount of the Bonds sold being different from the estimated amount used for purposes of such estimates; (c) the actual amortization of the Bonds being different than the amortization assumed for purposes of such estimates; (d) the actual market interest rates at the time of sale of the Bonds being different than those estimated for purposes of such estimates; (e) other market conditions; or (f) alterations in the City's financing plan, or a combination of such factors. The actual date of sale of the Bonds and the actual principal amount of Bonds sold will be determined by the City based on the timing of the need for proceeds of the Bonds and other factors. The actual interest rates borne by the Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the City.