

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PASADENA AUTHORIZING THE ISSUANCE BY THE CITY OF NOT TO EXCEED \$65,000,000 AGGREGATE PRINCIPAL AMOUNT OF CITY OF PASADENA ELECTRIC REVENUE BONDS, 2008 SERIES, PAYABLE OUT OF THE LIGHT AND POWER FUND, AND APPROVING THE EXECUTION AND DELIVERY OF A FOURTH SUPPLEMENT TO ELECTRIC REVENUE BOND FISCAL AGENT AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS IN CONNECTION THEREWITH.

WHEREAS, pursuant to Article XIV of the Charter (the "Charter") of the City of Pasadena (the "City"), the City Council of the City (the "City Council") is authorized to provide for the issuance of revenue bonds for the purpose of providing moneys for the acquisition and construction of additions to, extensions, improvements, or repairs of the electric works of the City (the "Electric System") by ordinance authorizing the issuance of such revenue bonds; and

WHEREAS, pursuant to Ordinance No. 6760 of the City, adopted on August 3, 1998, the City has heretofore issued \$70,635,000 principal amount of its Electric Revenue/Refunding Bonds, 1998 Series (the "1998 Bonds") pursuant to an Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 1998 (the "Master Fiscal Agent Agreement"), by and between the City and The Bank of New York Trust Company, N.A., as successor fiscal agent (the "Fiscal Agent"), as supplemented by a First Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 1998, by and between the City and the Fiscal Agent or its predecessor in interest (the "First Supplement"), pursuant to Ordinance No. 6902 of the City, adopted on July 1, 2002, the City has heretofore issued \$82,320,000 principal amount of its Electric Revenue Bonds, 2002 Series (the "2002 Bonds") pursuant to a Second Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of July 1, 2002, by and between the City and the Fiscal Agent or its predecessor in interest (the "Second Supplement"), and pursuant to Ordinance No. 6949 of the City, adopted on July 21, 2003, the City has heretofore issued \$9,905,000 principal amount of its Electric Revenue Bonds, 2003 Series (the "2003 Bonds") pursuant to a Third Supplement to Electric Bond Revenue Fiscal Agent Agreement, dated as of August 1, 2003, by and between the City and the Fiscal Agent or its predecessor in interest (the "Third Supplement"); and

WHEREAS, pursuant to Article XIV of the Charter, the City now proposes to issue its Electric Revenue Bonds, 2008 Series (the "2008 Bonds"), pursuant to the Master Fiscal Agent Agreement, the First Supplement, the Second Supplement, and the Third Supplement, as further supplemented by a Fourth Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of February 1, 2008, by and between the City and the Fiscal Agent (the "Fourth Supplement," and together with the Master Fiscal Agent Agreement, the First Supplement, the Second Supplement, and the Third Supplement, the "Fiscal Agent Agreement"), to provide moneys for the acquisition and construction of additions to, and extensions and improvements of, the Electric System; said 2008 Bonds not to constitute an indebtedness of the City but to constitute obligations which shall be payable as to both principal and interest, and any premiums upon the redemption thereof prior to maturity, only from the Light and Power Fund of the City and certain

other funds as provided in the Fiscal Agent Agreement; and this Ordinance is for the purpose of authorizing the issuance of such 2008 Bonds.

NOW, THEREFORE, the People of the City of Pasadena ordain as follows:

Section 1. Authorization to Issue 2008 Bonds: Purpose; Principal Amount.

(a) Pursuant to Article XIV of the Charter, the City Council does hereby authorize to be issued, upon the terms and conditions as hereinafter set forth, the 2008 Bonds in the aggregate principal amount of not to exceed \$65,000,000 for the acquisition and construction of additions to, and extensions and improvements of, the Electric System, including the payment of costs and expenses incidental thereto.

(b) This Ordinance shall constitute complete authority to issue the 2008 Bonds pursuant to the Fiscal Agent Agreement as provided herein.

Section 2. Issuance of Bonds. The 2008 Bonds shall be issued pursuant to and in accordance with the terms and conditions set forth in this Ordinance, and more specifically in the Fiscal Agent Agreement.

Section 3. Date of Issuance; Maximum Interest Rates. The 2008 Bonds shall be dated as of the date of delivery thereof (which shall be no later than April 15, 2008). The maximum true interest cost for the 2008 Bonds shall not exceed six percent (6%) per annum.

Section 4. Maturity Dates. The maximum term for the 2008 Bonds shall be 30 years. Subject to the preceding sentence, the 2008 Bonds shall mature and be payable on such dates as specifically set forth in the Fourth Supplement described in Section 6 hereof.

Section 5. Source of Payment. The 2008 Bonds shall not constitute an indebtedness of the City but shall constitute obligations which shall be payable as to both principal and interest, and any premiums upon the redemption of any thereof prior to maturity, only from the Light and Power Fund of the City, as provided in Article XIV of the Charter, and certain other funds as authorized by Article XIV and provided in the Fiscal Agent Agreement.

Section 6. Approval of Fourth Supplement. In order to prescribe the terms and conditions upon which the 2008 Bonds are to be issued, secured, executed, authenticated and held, the Fourth Supplement proposed to be executed and entered into by the City and the Fiscal Agent, in substantially the form attached hereto as Exhibit A, is hereby approved, and the Director of Finance (or, in the absence of the Director of Finance, his designee) is hereby authorized and directed, for and in the name and on behalf of the City, to execute, and the City Clerk is authorized to affix the official seal of the City to, and deliver the Fourth Supplement to the Fiscal Agent in substantially such form, with such changes (including, without limitation, such changes as may be necessary to provide for the issuance of a municipal bond insurance policy and/or a surety bond for the reserve fund if so determined or such changes as may be requested by rating agencies providing a rating on the 2008 Bonds) as may be approved by the Director of Finance (or, in the absence of the Director of Finance, his designee), acting on behalf of the City, subject to advice of counsel, such execution thereof to constitute conclusive evidence

of the approval of the City of all changes from the form of the Fourth Supplement presented to this meeting.

Section 7. Continuing Disclosure Agreement. The Continuing Disclosure Agreement, proposed to be executed and entered into by and between the City and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent, in substantially the form attached hereto as Exhibit B is hereby approved, and the Director of Finance (or, in the absence of the Director of Finance, his designee) is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver to the trustee the Continuing Disclosure Agreement in substantially said form, with such changes as may be approved by the Director of Finance (or, in the absence of the Director of Finance, his designee), acting on behalf of the City, subject to advice of counsel, such execution thereof to constitute conclusive evidence of the approval of the City of all changes from the form of the Continuing Disclosure Agreement presented to this meeting.

Section 8. Official Action. All actions heretofore taken by the officers and agents of the City with respect to the issuance of the 2008 Bonds and the negotiation and execution of said agreements are hereby approved, confirmed and ratified. The City Manager, the Director of Finance, the City Treasurer, the City Clerk and any and all other officers of the City are hereby authorized and directed, for and in the name and on behalf of the City to do any and all things and take any and all actions, including, without limitation, the negotiation of a municipal bond insurance policy for all or any of the 2008 Bonds and a surety bond in lieu of cash for any reserve fund, and including execution and delivery of any and all certificates, requisitions, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the issuance, sale and delivery of the 2008 Bonds pursuant to the agreements described herein.

Section 9. Provisions Necessary and Desirable. The provisions of this Ordinance are deemed necessary and desirable to facilitate the issuance and sale of the 2008 Bonds authorized by this Ordinance.

Section 10. Publication. The City Clerk shall certify to the passage and adoption of this Ordinance and shall cause this Ordinance, excepting the exhibits attached hereto, to be published once in the *Pasadena Star-News*, a daily newspaper of general circulation published in said City.

Section 11. Effective Date. This Ordinance shall take effect on the date of publication pursuant to Section 10, subject only to the right of referendum provided in Section 1413 of the City Charter.

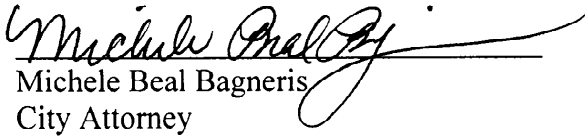
Signed and approved this _____ day of December, 2007.

Mayor of the City of Pasadena, California

I HEREBY CERTIFY that the foregoing Ordinance was adopted by the City Council of the City of Pasadena at its regular meeting held _____, 2007, by the following vote:


Ayes:
Noes:
Absent:
Abstain:
Published:
Pasadena Star News

APPROVED AS TO FORM:


Michele Beal Bagneris
City Attorney

Jane L. Rodriguez
City Clerk

APPROVED AS TO FORM:



Eric D. Tashman
Sidley Austin LLP
Bond Counsel