Exhibit B

Notice Inviting Bids

NOTICE INVITING BIDS

CITY OF PASADENA, CALIFORNIA

Electric Revenue Bonds, 2008 Series

NOTICE IS HEREBY GIVEN that electronically transmitted bids will be received by the City of Pasadena, California (the "City"), through the use of an electronic bidding service offered by i-Deal LLC/Parity® ("Parity") (at www.tm3.com), on

Monday, January 28, 2008
at 10:00 A.M. Pacific time,

for the purchase of $65,000,000 (approximate) aggregate principal amount of City of Pasadena, California Electric Revenue Bonds, 2008 Series (the "2008 Bonds"), more particularly described herein. See "TERMS OF SALE—Form of Bid and Bid Check or Surety Bond—Warnings Regarding Electronic Bids" herein.

The City reserves the right to cancel or reschedule the sale of the 2008 Bonds or change the terms thereof upon notice given through The Bond Buyer Wire prior to the time bids are to be received. If the sale is rescheduled, bids will be received at the place set forth above, at such date and time as the City shall determine. Notice of the new sale date, time and terms, if any, will be given through The Bond Buyer Wire as soon as practicable prior to the new time bids are to be received.

TERMS OF THE 2008 BONDS

Important Note. This Notice Inviting Bids will be submitted to i-Deal LLC for posting at the TM3 website and in the Parity bid delivery system. In the event the Parity system's summary of the terms of sale of the 2008 Bonds disagrees with this Notice Inviting Bids in any particulars, the terms of this Notice Inviting Bids shall control (unless notice of an amendment hereto is given as described above).

Opening of Bids and Award of 2008 Bonds

The bids will be received at the above time and place, will be opened by the Director of Finance of the City, and the 2008 Bonds are expected to be awarded by the City at the City Council meeting later that day.

The Issue

The 2008 Bonds are being issued by the City for the purpose of providing moneys, together with other available funds, (i) to finance the costs of acquisition and construction of certain improvements to the Electric System of the City (the "Electric System"); (ii) to fund a deposit to the reserve fund; and (iii) to pay the costs of issuance of the 2008 Bonds.

Authority For Issuance

The 2008 Bonds are authorized and issued pursuant to Article XIV of the City Charter, an Ordinance to be adopted by the City Council of the City (the "Ordinance"), and 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, and as further supplemented by a Fourth Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of [February 1, 2008] (the "Fourth Supplement"), to be executed simultaneously with the delivery of the 2008 Bonds (together with the Master Fiscal Agent Agreement, the "Fiscal Agent Agreement"). The City has previously issued $70,635,000 principal amount of its Electric Revenue/Refunding Bonds, 1998 Series (the "1998 Bonds"), $82,320,000 principal amount of its Electric Revenue Bonds, 2002 Series (the "2002 Bonds"), and $9,905,000 principal amount of its Electric Revenue Bonds, 2003 Series (the "2003 Bonds"), each pursuant to the Fiscal Agent Agreement. The 2008 Bonds will be issued on a parity with the 1998 Bonds, the 2002 Bonds, the 2003 Bonds and other obligations of the Electric System payable from Net Income and issued from time to time pursuant to the terms of the Fiscal Agent Agreement ("Parity Obligations"). The 2008 Bonds, the 2003 Bonds, the 2002 Bonds, the 1998 Bonds and all other Electric Revenue Bonds to be issued pursuant to the Fiscal Agent Agreement are herein referred to collectively as the "Bonds."

Bidders are referred to the Fiscal Agent Agreement and the Preliminary Official Statement, dated [January 17, 2008], relating to the 2008 Bonds (the "Preliminary Official Statement"), for definitions of terms and for further particulars, including further information regarding the 2008 Bonds. Terms not defined herein shall have the meanings given to them in the Fiscal Agent Agreement. This Notice Inviting Bids contains certain information for quick reference only, is not a summary of the issue and governs only the terms of the sale of, bidding for and closing procedures with respect to the 2008 Bonds. Bidders must read the entire Preliminary Official Statement to obtain information essential to the making of an informed investment decision.

Security; Limited Obligations

The 2008 Bonds are an obligation solely payable from the Light and Power Fund of the City and certain other funds as provided in the Fiscal Agent Agreement. The 2008 Bonds are secured by a pledge of and lien upon Net Income of the Electric System on a parity with other Bonds and Parity Obligations.

The City has covenanted in the Fiscal Agent Agreement that the rates to be charged for services furnished by the Electric System shall be fixed so as to provide Gross Revenues at least sufficient to pay, as the same become due, the principal of and interest on the Bonds and Parity Obligations and all other obligations and indebtedness payable from the Light and Power Fund (including the payment of any amounts owing to any provider of any surety bond, insurance policy or letter of credit with respect to the Bonds or any Parity Obligations, which amounts are payable from the Light and Power Fund) or from any fund derived therefrom, and also the necessary Maintenance and Operating Expenses, and shall be so fixed that the Net Income (i.e., Gross Revenues less Maintenance and Operating Expenses) of the Electric System shall be at least equal to 1.10 times the amount necessary to pay principal and interest (including mandatory sinking account redemption payments), as the same become due, on all Bonds and Parity Obligations.

"Gross Revenues" pursuant to the Fiscal Agent Agreement means all revenues (as defined in Section 54315 of the Government Code of the State of California, which include all charges received for and all other income and receipts derived by the Water and Power Department of the City (the "Department") from the operation of the Electric System or arising from the Electric System) received by the Department from the services, facilities, energy and distribution of electric energy by the Department, including (i) income from investments, and (ii) for the purposes of determining compliance with the rate covenant in the Fiscal Agent Agreement only, the amounts on deposit in the Reserve for Stranded Investment established by the City pursuant to Ordinance No. 6695 of the City, adopted by the City Council of the City on November 25, 1996, or in any other unrestricted funds of the Electric System designated by the City Council by resolution (or by approval of a budget of the Light and Power Fund providing for such transfer) and available for the purpose of paying Maintenance and Operating Expenses and/or debt service on the Bonds and/or any Parity Obligations, but excepting therefrom (a) all reimbursement charges and deposits to secure service and (b) any charges collected by any person to amortize or otherwise relating to the payment of the uneconomic portion of costs associated with assets and obligations ("stranded costs") of the Electric System or of any joint powers agency in which the City participates which the City has dedicated to the payment of obligations other than the Bonds or any Parity Obligations then outstanding, the payments of which obligations will be applied to or pledged to or otherwise set aside for the reduction or retirement of outstanding obligations of the City or any joint powers agency in which the City participates relating to such "stranded costs" of the City or of any such joint powers agency to the extent such "stranded costs" are attributable to, or the responsibility of, the City.

"Maintenance and Operating Expenses" means the amount required to pay the reasonable expenses of management, repair and other costs, of the nature of costs which have historically and customarily been accounted for as such, necessary to operate, maintain and preserve the Electric System in good repair and working order, including but not limited to, the cost of supply and transmission of electric energy under long-term contracts or otherwise and the expenses of conducting the Power Division of the Department, but excluding depreciation. "Maintenance and Operating Expenses" will include all amounts required to be paid by the City under contract with a joint powers agency for purchase of capacity, energy, transmission capability or any other commodities or services in connection with the foregoing, which contract requires payments by the City to be made under the Fiscal Agent Agreement to be treated as Maintenance and Operating Expenses.

The general fund of the City is not liable for the payment of any 2008 Bonds, any premium thereon upon redemption prior to maturity, or their interest, nor is the credit or taxing power of the City pledged for the payment of any 2008 Bonds, any premium thereon upon redemption prior to maturity, or their interest. The Owner of any 2008 Bond shall not compel the exercise of the taxing power by the City or the forfeiture of any of its property. The principal of and interest on any 2008 Bonds and any premiums upon the redemption thereof prior to maturity are not a debt of the City nor a legal or equitable pledge, charge, lien or encumbrance upon any of its property or upon any of its income, receipts or revenues, except the Net Income and other funds, security or assets which are

pledged to the payment of the 2008 Bonds, interest thereon and any premiums upon redemption.

Parity Reserve Fund

Pursuant to the Fiscal Agent Agreement, the City has established and agreed to maintain the Parity Reserve Fund in an amount equal to the Reserve Fund Requirement.

"Reserve Fund Requirement" is defined in the Fiscal Agent Agreement to mean, as of any date of determination and excluding therefrom any Parity Obligations for which no reserve fund is to be maintained or for which a separate reserve fund is to be maintained, the least of (a) 10% of the initial offering price to the public of each Series of Bonds and Parity Obligations to be secured by the Parity Reserve Fund as determined under the Internal Revenue Code of 1986 (the "Code"), or (b) the maximum Annual Debt Service on all Bonds and Parity Obligations to be secured by the Parity Reserve Fund, or (c) 125% of the Average Annual Debt Service on all Bonds and Parity Obligations to be secured by the Parity Reserve Fund, all as computed and determined by the City; provided, that such requirement (or any portion thereof) may be provided by the City delivering to the Fiscal Agent for credit to the Parity Reserve Fund one or more policies of municipal bond insurance or surety bonds issued by a municipal bond insurer if the obligations insured by such insurer have ratings at the time of issuance of such policy or surety bond equal to "Aaa" assigned by Moody's Investors Service and "AAA" assigned by Standard & Poor's (and if such insurance company is rated by A.M. Best & Company, such insurance company is rated in the highest rating category by A.M. Best & Company) or by a letter of credit issued by a bank or other institution if the obligations issued by such bank and other institution have ratings at the time of issuance of such letter of credit equal to "Aa" or higher assigned by Moody's Investors Service and "AA" or higher assigned by Standard & Poor's.

Amounts in the Parity Reserve Fund shall be transferred by the City to the Parity Obligation Payment Fund to pay principal of and interest on the Bonds and Parity Obligations secured by the Parity Reserve Fund in the event amounts on deposit therein are insufficient for such purposes.

Municipal Bond Insurance at Bidder's Option

The 2008 Bonds have been submitted to several municipal bond insurance providers and a request for principal and interest insurance policy qualification has been made. If insurance is available, it may be purchased on the bid date at the bidder's option and expense. The City is not responsible for payment of the premium on any policy of municipal bond insurance which is selected by the winning bidder. If the winning bidder elects to obtain municipal bond insurance, the winning bidder will be required to certify that (a) the present value of the insurance premium is less than the present value of expected interest savings as a result of the insurance, determined by using the yield of the 2008 Bonds (including the insurance premium) as the discount rate in computing present value, and (b) based on the bidder's experience in assisting issuers to obtain municipal bond insurance, the insurance premium does not exceed a reasonable arm's length charge for transfer of the credit risk represented by the insurance and does not include any payment for any direct or indirect services other than the transfer of credit risk. The delivery of any policy of municipal bond insurance will not be a condition of closing, nor will the winning bidder be excused from performance if the municipal bond insurance provider's ratings are changed between the time of acceptance of the bid and the time of closing.

Book-Entry Only

The 2008 Bonds will be issued as fully registered bonds and, when issued will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as security depository for the 2008 Bonds. Individual purchases of the 2008 Bonds will be made in book-entry form only, in denominations of $5,000 principal amount or any integral multiple thereof. Payments of principal of, interest and premium, if any, on the 2008 Bonds will be paid by the Fiscal Agent to DTC, which is obligated in turn to remit such principal, premium, if any, and interest to its DTC Participants for subsequent disbursement to the beneficial owners of the 2008 Bonds.

Interest Payment Dates

The 2008 Bonds will be dated as of the date of delivery and interest will be payable semiannually on each June 1 and December 1, commencing June 1, 2008, to holders of record on the preceding May 15 and November 15, respectively, until maturity or redemption.

Principal Amortization

The 2008 Bonds shall be subject to principal amortization through serial maturities maturing on June 1 in the following years and amounts described in the following table, subject to the adjustments described below:

June 1	Principal Amount*	June 1	Principal Amount*
	$		$

* Preliminary, subject to adjustment as described below.

Adjustment of Principal Amounts and Amortization Schedule

The principal amounts set forth in this Notice Inviting Bids reflect certain estimates of the City and its Financial Advisor with respect to the likely interest rates of the winning bid and the premium, if any, contained in the winning bid. The principal amortization schedule may be changed prior to the time bids are to be received and, if adjustments are made, bidders must bid on the basis of the adjusted schedules. Such changes, if any, will be communicated through The Bond Buyer Wire not later than 12:00 p.m., Pacific time, on the business day prior to the bid opening. After selecting the winning bid, the principal amount of the 2008 Bonds and amortization schedule may be adjusted in $5,000 increments as necessary in the determination of the Financial Advisor to reflect the actual interest rates and any premium in the winning bid and to achieve the City's debt structuring objectives. Such adjustments after the selection of the winning bid will not change the principal amount due on the 2008 Bonds in any year by more than ten percent (10%). Any such adjustment will be communicated to the winning bidder within 24 hours after acceptance of the bids. Changes in the amortization schedule made subsequent to bid opening as described above will not affect the determination of the winning bidder or give the winning bidder any right to reject the 2008 Bonds. The winning bidder may not withdraw its bid or change the interest rates bid as a result of any changes to the principal payments of the 2008 Bonds in accordance with this Notice Inviting Bids; further, the dollar amount of the price bid will be changed so that the percentage of net compensation paid to the winning bidder will not increase or decrease from what it would have been if no adjustments had been made by the City.

Serial Bonds and/or Term Bonds

Bidders may provide that the 2008 Bonds be issued as serial bonds or may provide that any two or more consecutive annual principal amounts be combined into one or more term bonds.

Mandatory Sinking Fund Redemption

If the successful bidder designates principal amounts to be combined into one or more term bonds, each such term bond shall be subject to mandatory sinking fund redemption commencing on June 1 of the first year which has been combined to form such term bond and continuing on June 1 in each year thereafter until the stated maturity date of that term bond. The amount redeemed in any year shall be equal to the principal amount for such year set forth in the table above under the caption "Principal Amortization", as adjusted in accordance with the provisions described above under the caption "Adjustment of Principal Amounts and Amortization Schedule". The 2008 Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed in part at par and shall be selected by lot from among the 2008 Bonds then subject to redemption. The City, at its option, may credit against any mandatory sinking fund redemption requirement term bonds of the maturity then subject to redemption which have been purchased and cancelled by the City or have been redeemed and not theretofore applied as a credit against any mandatory sinking fund redemption requirement.

Optional Redemption

The 2008 Bonds maturing prior to June 1, 2018 are not subject to call and redemption prior to maturity. The 2008 Bonds maturing on or after June 1, 2018 are subject to call and redemption prior to maturity, at the option of the City, as a whole or in part on December 1, 2017 or on any date thereafter, in any order of maturity established by the City and by lot within a single maturity, from funds derived by the City from any legal source, at a redemption price equal to the principal amount of the 2008 Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.

Notice of Redemption

Notice of such redemption shall be mailed to the Owners of the 2008 Bonds, certain securities depositories and one or more information services. Notice of such redemption shall be given to the Owners of the 2008 Bonds designated for redemption at their addresses appearing on the bond registration books, not less than 30 days nor more than 60 days prior to the redemption date. The actual receipt by the Owners of any 2008 Bond shall not be a condition precedent to the redemption, and failure to receive such notice shall not affect the validity of the proceedings for the redemption of 2008 Bonds or the cessation of interest on the redemption date. Any notice of redemption of 2008 Bonds given pursuant to the Fiscal Agent Agreement may be rescinded by written notice in the same manner and to the same persons as notice of such redemption was given, no later than five (5) business days prior to the date specified for redemption.

Fiscal Agent

The Bank of New York Trust Company, N.A., Los Angeles, California is the Fiscal Agent for the payment of principal of, premium, if any, and interest on the 2008 Bonds and for the registration of the 2008 Bonds.

Legal Opinion

The City will furnish to the successful bidder at the closing of the 2008 Bonds, the legal opinion of Bond Counsel, Sidley Austin LLP, that based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2008 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes; and interest on the 2008 Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although such counsel may observe that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel will express no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the 2008 Bonds.

Continuing Disclosure

In order to assist bidders in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), the City will undertake, pursuant to a Continuing Disclosure Agreement, to provide certain annual financial information and notices of the occurrence of certain events, if material. A form of the Continuing Disclosure Agreement is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement. The City has never failed to comply in all material respects with any previous undertakings with regard to said Rule to provide annual reports or notices of material events.

TERMS OF SALE

Interest Rates and Minimum Purchase Price

Bidders must specify a rate of interest for each maturity of the 2008 Bonds. The rates of interest must be expressed in multiples of one-eighth (1/8) or one-twentieth (1/20) of one percent (1%), and the true interest cost to the City shall not exceed six percent (6%) per annum. All 2008 Bonds of the same maturity must bear the same rate of interest.

Bidders may bid to purchase the 2008 Bonds with an aggregate premium of not more than 6% of the principal amount thereof. No bid will be considered at an aggregate price less than one hundred percent (100%) of the principal amount of the 2008 Bonds, and the no maturity of the 2008 Bonds shall have a discount of more than three percent (3%) of its principal amount.

Award

If satisfactory bids are received, the 2008 Bonds will be awarded to the highest responsible bidder. The highest bid will be that which results in the lowest True Interest Cost. The True Interest Cost shall be computed by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments from their respective payment dates to the date of the 2008 Bonds and to the price bid. For the purpose of calculating the True Interest Cost, the principal amount of 2008 Bonds established for mandatory sinking fund redemption as part of a term bond shall be treated as a serial maturity in each year. Pursuant to the Ordinance, the True Interest Cost shall not exceed six percent (6%) per annum. In the event that two or more bidders have bid the same True Interest Cost, the award shall be made by lot.

Right of Rejection

The City reserves the right, in its discretion, to reject any and all proposals, including any proposals not conforming to this Notice Inviting Bids, and to waive any irregularity or informality in any proposal.

Equal Opportunity

It is the policy of the City that disadvantaged business enterprises ("DBE") and all other business enterprises have an equal opportunity to participate in the performance of the City contracts. Bidders are required to make a good faith effort to reach out to the DBEs to ensure they have equal opportunity to compete for the purchase of the 2008 Bonds.

Form of Bid and Bid Check or Surety Bond

Bidders must purchase the 2008 Bonds at a price equal to the principal amount thereof plus a premium, if any. Each bid must be delivered by electronic transmission, as described below, and received by 10:00 a.m., Pacific time, Monday, January 28, 2008. Each bid must be in accordance with the terms and conditions set forth in this Notice Inviting Bids.

In the event multiple bids are received from a single bidder by any means or combination thereof, the City shall accept the best of such bids, and each bidder agrees by submitting any bid to be bound by its best bid.

Warnings Regarding Electronic Bids: The City will accept bids in electronic form solely through i-Deal's Parity® System (at www.tm3.com) on the official bid form created for such purpose. Each bidder submitting an electronic bid understands and agrees by doing so that it is solely responsible for all arrangements with Parity, and that Parity is not acting as an agent of the City. Instructions and forms for submitting electronic bids must be obtained from Parity, and the City assumes no responsibility for ensuring or verifying bidder compliance with Parity's procedures. The City shall be entitled to assume that any bid received via Parity has been made by a duly authorized agent of the bidder.

The City, the Financial Advisor, and Bond Counsel assume no responsibility for proper functioning of the Parity System, for any error contained in any bid submitted electronically, or for failure of any bid to be transmitted, received or opened at the official time for receipt of bids. The official time for receipt of bids will be determined by the City at the place of bid opening, and the City shall not be required to accept the time kept by Parity as the official time. The City assumes no responsibility for informing any bidder prior to the deadline for receiving bids that its bid is incomplete or not received.

A good faith deposit (the "Deposit") in the form of a cashier's check in immediately available funds, or a financial surety bond, in each case in the amount of $650,000, payable to the order of the City, is required with each bid to secure the City from any loss resulting from the failure of the bidder to comply with the terms of its bid. If a check is used, it must accompany the bid. If a financial surety bond is used, it must be issued by an insurance company licensed to issue such a bond in the State of California, and such bond must be submitted to the Financial Advisor, Public Resources Advisory Group, 11845 West Olympic Boulevard, Suite 640, Los Angeles, California 90064, Attention: Edmund Soong (telephone (310) 477-1453, fax (310) 477-0105), with a facsimile copy to the City at (626) 744-4350, Attention: Stephen C. Stark, Director of Finance, prior to opening of the bids. The financial surety bond must identify the bidder whose Deposit is guaranteed by such financial surety bond, and the City assumes no responsibility for any failure of a financial surety bond to list any bidder or to be received on a timely basis as described in the preceding sentence. If the Bonds are awarded to a bidder submitting a financial surety bond, then said successful bidder is required to submit its Deposit to the City in the form of a cashier's check (meeting the requirements set forth above) or by wire transfer not later than 12:00 noon, Pacific time, on the next business day following the award. If such Deposit is not received by that time, the financial surety bond shall be drawn by the City to satisfy the Deposit requirement. Wiring instructions will be provided to the successful bidder.

The City does not endorse the use of a financial surety bond or any particular financial surety provider. The City will accept a financial surety bond in lieu of a cashier's check under the terms described herein solely as an accommodation to bidders, and it is understood and agreed by each bidder using such a bond that the bidder must make its own arrangements with the provider of the bond, including ensuring that evidence of the financial surety bond is provided to the Financial Advisor.

No interest will be paid upon the Deposit made by any bidder. Deposit checks of all bidders (except the successful bidder) will be returned by the City promptly following the award of the 2008 Bonds to the successful bidder. The Deposit of the successful bidder will, immediately upon acceptance of its bid, become the property of the City to be held and invested for the exclusive benefit of the City. The principal amount of such Deposit shall be applied to the purchase price of the 2008 Bonds at the time of delivery thereof.

If the purchase price is not paid in full upon tender of the 2008 Bonds, the successful bidder shall have no right in or to the 2008 Bonds or to the recovery of its Deposit, or to any allowance or credit by reason of such Deposit, unless it shall appear that the 2008 Bonds would not be validly issued if delivered to the successful bidder in the form and manner proposed. In the event of nonpayment by the successful bidder, the amount of the Deposit shall be retained by the City. Notwithstanding the foregoing, should the successful bidder fail to pay for the 2008 Bonds at the price and on the date agreed upon, the City retains the right to seek further compensation for damages sustained as a result of the successful bidder so doing.

Estimate of True Interest Cost

Each bidder is requested, but not required, to supply an estimate of the True Interest Cost to the City on the basis of its bid, which shall be considered as informative only and not binding on either the bidder or the City.

Prompt Award

The City, acting through its Director of Finance, will conditionally award the 2008 Bonds or reject all bids not later than 24 hours after the expiration of the time herein prescribed for the receipt of proposals, unless such time of award is waived by the successful bidder. Notice of the conditional award will be given promptly to the successful bidder. The City will endeavor to obtain City Council ratification of the award within such 24 hour period, but such ratification, which is a condition of closing, may occur at any time prior to delivery of the 2008 Bonds.

Reoffering Price

The successful bidder will, within one hour after being notified of the award of the 2008 Bonds, advise the City of the initial public offering prices of the 2008 Bonds. The successful bidder will also be required, prior to delivery of the 2008 Bonds, to furnish to the City a certificate acceptable to Bond Counsel stating (i) that as of the date of sale, all of the 2008 Bonds purchased by the successful bidder were expected to be reoffered in a bona fide public offering; (ii) that as of the date of the certification, all of the 2008 Bonds purchased by the successful bidder had actually been offered to the general public; [and] (iii) the price at which a substantial amount (at least 10%) of each maturity of the 2008 Bonds purchased by the successful bidder was first sold to the general public[; and (iv) insurance certificate].

California Debt and Investment Advisory Commission

The successful bidder will be required to pay any fees due to the California Debt and Investment Advisory Commission ("CDIAC") under California law. CDIAC will invoice the successful bidder after the delivery of the 2008 Bonds.

CUSIP Numbers and Other Fees

It is anticipated that CUSIP numbers will be printed on the 2008 Bonds, but neither the failure to print such numbers on any 2008 Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for said 2008 Bonds in accordance herewith. The successful bidder will be responsible for obtaining CUSIP numbers. All charges of the CUSIP Service Bureau for the assignment of CUSIP numbers for the 2008 Bonds shall be paid by the successful bidder. The successful bidder shall also be required to pay all fees required by DTC, the Bond Market Association, the Municipal Securities Rulemaking Board and any other similar entity imposing a fee in connection with the execution and delivery of the 2008 Bonds.

No Litigation

There is no litigation pending concerning the validity of the 2008 Bonds, the corporate existence of the City, or the title of the officers thereof to their respective offices, and the City will furnish to the successful bidder a no-litigation certificate certifying to the foregoing as of and at the time of the delivery of the 2008 Bonds.

Official Statement

The City has approved a Preliminary Official Statement dated [Date], which the City has "deemed final" for purposes of Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission although subject to revision, amendment and completion in a final Official Statement in conformity with such Rule. The City will furnish to the successful bidder, at no expense to the successful bidder, up to 250 copies of the Official Statement within seven (7) business days of the award date.

Certificate Regarding Official Statement

The City will provide to the successful bidder of the 2008 Bonds a certificate, signed by a responsible officer, confirming to the successful bidder that, at the time of the acceptance of its bid for the 2008 Bonds and at the time of delivery thereof, the Preliminary Official Statement and the final Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

Delivery and Payment

Delivery of the 2008 Bonds is expected to occur on or about [February 14, 2008]. The 2008 Bonds will be delivered in New York, New York for deposit with DTC. The successful bidder shall pay for the 2008 Bonds on the date of delivery in Federal Reserve Bank funds or equivalent immediately available funds. Payment on the delivery date shall be made in an amount equal to the price bid for the 2008 Bonds less the amount of the Deposit. Any expense of providing immediately available funds, whether by transfer of Federal Reserve Bank funds or otherwise, shall be borne by the successful bidder. The cost of printing the 2008 Bonds will be borne by the City.

Tax-Exempt Status

In the event that prior to the delivery of the 2008 Bonds (a) the interest received by any private holder from bonds of the same type and character as the 2008 Bonds shall be declared to be taxable (either at the time of such declaration or at any future date) under any federal income tax laws, either by the terms of such law or by ruling of a federal income tax authority or official which is followed by the Internal Revenue Service, or by decision of any federal court, or (b) any federal income tax law is enacted that would have a substantial adverse tax effect on holders of the 2008 Bonds as such, the successful bidder may, at its option, prior to the issuance and delivery of the 2008 Bonds by the City, be relieved of its obligation to purchase the 2008 Bonds and in such case the proceeds of the Deposit accompanying its bid will be returned.

Right of Cancellation by City

The City reserves the right at any time prior to and including the day of the bid opening, to cancel the public sale of the 2008 Bonds. In such event, the City shall cause notice of the cancellation of this invitation for bids and the public sale of the 2008 Bonds to be communicated through The Bond Buyer Wire as promptly as practicable. However, no failure to publish such notice, failure of any prospective bidder to receive such notice or any defect or omission therein shall affect the cancellation of the public sale of the 2008 Bonds.

Right of Cancellation by Bidder

The successful bidder shall have the right, at its option, to cancel its obligation to purchase the 2008 Bonds if the City shall fail to execute the 2008 Bonds and tender the same for delivery within 60 days from the date of award thereof, and in such event the successful bidder shall be entitled to the return of the Deposit accompanying its proposal.

Right to Modify or Amend

The City reserves the right to modify or amend this Notice Inviting Bids in any respect including, without limitation, the right to adjust and change the principal amortization schedule of the 2008 Bonds being offered prior to the time bids are to be received. Such notifications or amendments shall be communicated through The Bond Buyer Wire except as provided in "Adjustment of Principal Amounts and Amortization Schedule" herein.

Additional Information

Electronic copies of the Ordinance, the Fiscal Agent Agreement, and the Preliminary Official Statement will be furnished to any potential bidder upon request made to the City's Financial Advisor, Public Resources Advisory Group, 11845 West Olympic Boulevard, Suite 640, Los Angeles, California 90064, Attention: Edmund Soong (telephone (310) 477-1453, fax (310) 477-0105).

Date: [date]

/s/ STEPHEN C. STARK
Director of Finance
City of Pasadena