

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PASADENA AUTHORIZING THE ISSUANCE BY THE CITY OF NOT TO EXCEED \$45,000,000 AGGREGATE PRINCIPAL AMOUNT OF CITY OF PASADENA ELECTRIC REVENUE REFUNDING BONDS, 2009 SERIES, PAYABLE OUT OF THE LIGHT AND POWER FUND, AND APPROVING THE EXECUTION AND DELIVERY OF A FIFTH SUPPLEMENT TO ELECTRIC REVENUE BOND FISCAL AGENT AGREEMENT, AN ESCROW AGREEMENT AND A CONTINUING DISCLOSURE AGREEMENT 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, or the purchase for intertie purposes of undivided joint interests or rights of use in other generation or transmission facilities, constructed either by governmental agencies or investor-owned companies, or for the purpose of refunding any revenue bonds issued for such purposes, 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 authorized and issued \$70,635,000 principal amount of its City of Pasadena, California Electric Revenue/Refunding Bonds, 1998 Series (the "1998 Bonds"), of which \$43,475,000 principal amount are outstanding and unpaid, which 1998 Bonds were issued for the purpose of provide moneys (i) for the acquisition and construction of additions to, and extensions and improvements of, the City's electric system and (ii) to refund in their entirety the City's then outstanding City of Pasadena Electric Works Revenue Bonds, 1990 Series, City of Pasadena Electric Works Revenue Bonds, 1992 Series, City of Pasadena Electric Works Revenue Refunding Bonds, 1993 Series and its obligations under a Resource Efficiency Program Agreement, dated as of July 1, 1994, between the Financing Authority for Resource Efficiency of California under its Resource Efficiency Program and the City-Power Division, as Participant; and

WHEREAS, pursuant to Article XIV of the Charter, the City now proposes to issue its Electric Revenue Refunding Bonds, 2009 Series (the "2009 Bonds") pursuant to the 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 Mellon Trust Company, N.A. (successor-in-interest to BNY Western Company), as fiscal agent (the "Fiscal Agent"), as amended and supplemented, including as amended and supplemented by a Fifth Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of November 1, 2009, by and between the City and the Fiscal Agent (the Master Fiscal Agent Agreement as so amended and supplemented hereinafter, the "Fiscal Agent Agreement"), in order to refund all or a portion of the outstanding 1998 Bonds, said 2009 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 of any 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 2009 Bonds.

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

Section 1. Authorization to Issue 2009 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 2009 Bonds in the aggregate principal amount of not to exceed \$45,000,000 for the purpose of refunding all or a portion of the 1998 Bonds, funding a deposit to the debt service reserve fund, if required, and the payment of costs and expenses incidental to the issuance of the 2009 Bonds.

(b) This Ordinance shall constitute complete authority to issue the 2009 Bonds pursuant to the Fiscal Agent Agreement as provided herein.

Section 2. Issuance of 2009 Bonds. The 2009 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 and the Fifth Supplement.

Section 3. Date of Issuance; Maximum Interest Rates. The 2009 Bonds shall be dated their date of delivery. The maximum interest rate to be payable on the 2009 Bonds shall not exceed such rate as will result in a true interest cost to the City of greater than four and three-quarters percent (4.75%) per annum.

Section 4. Maturity Dates. The maximum term for the 2009 Bonds shall not exceed 15 years. Subject to the preceding sentence, the 2009 Bonds shall mature and be payable on such dates as specifically set forth in the Fifth Supplement described in Section 6 hereof.

Section 5. Source of Payment. The 2009 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 Fifth Supplement. In order to prescribe the terms and conditions upon which the 2009 Bonds are to be issued, secured, executed, authenticated and held, the Fifth 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 Fifth Supplement 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 2009 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 Fifth Supplement presented to this meeting.

Section 7. Escrow Agreement. The Escrow Agreement relating to the 1998 Bonds to be refunded, proposed to be executed and entered into by and between the City and the Escrow 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 the Escrow 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 Escrow Agreement presented to this meeting.

Section 8. Continuing Disclosure Agreement. The Continuing Disclosure Agreement, proposed to be executed and entered into by and between the City and the Fiscal Agent, in substantially the form attached hereto as Exhibit C 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 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 9. Official Action. All actions heretofore taken by the officers and agents of the City with respect to the issuance of the 2009 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 2009 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 2009 Bonds pursuant to the agreements described herein.

Section 10. Provisions Necessary and Desirable. The provisions of this Ordinance are deemed necessary and desirable to facilitate the issuance and sale of the 2009 Bonds authorized by this Ordinance.

Section 11. 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 12. Effective Date. This Ordinance shall take effect on the date of publication pursuant to Section 11, subject only to the right of referendum provided in Section 1413 of the City Charter.

Signed and approved this 21st day of September 2009.

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 September 21, 2009, by the following vote:

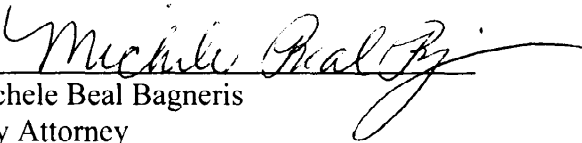
Ayes:

Noes:

Absent:

Published: _____, 2009, Pasadena Star News

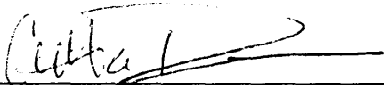
APPROVED AS TO FORM:



Michele Beal Bagneris
City Attorney

Mark Jomsky
City Clerk

APPROVED AS TO FORM:



Cecilia Dyba
Fulbright & Jaworski L.L.P.
Bond Counsel

EXHIBIT A

PROPOSED FORM OF
FIFTH SUPPLEMENT TO
ELECTRIC REVENUE BOND FISCAL AGENT AGREEMENT

EXHIBIT B

PROPOSED FORM OF
ESCROW AGREEMENT

PROPOSED FORM OF
CONTINUING DISCLOSURE AGREEMENT

FIFTH SUPPLEMENT TO
ELECTRIC REVENUE BOND FISCAL AGENT AGREEMENT

by and between

CITY OF PASADENA, CALIFORNIA

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
as successor Fiscal Agent

RELATING TO CITY OF PASADENA, CALIFORNIA
ELECTRIC REVENUE REFUNDING BONDS, 2009 SERIES

Dated as of November 1, 2009

(Supplemental to the Electric Revenue Bond
Fiscal Agent Agreement dated as of August 1, 1998)

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FIFTH SUPPLEMENT TO
ELECTRIC REVENUE BOND FISCAL AGENT AGREEMENT

(Supplemental to the Electric Revenue Bond Fiscal Agent Agreement
dated as of August 1, 1998)

Authorizing the Issuance of
\$ _____ Aggregate Principal Amount of
City of Pasadena, California
Electric Revenue Refunding Bonds, 2009 Series

This FIFTH SUPPLEMENT TO ELECTRIC REVENUE BOND FISCAL AGENT AGREEMENT, dated as of November 1, 2009 (the "Fifth Supplement"), is by and between the CITY OF PASADENA, CALIFORNIA (the "City"), a municipal corporation and chartered city duly organized and existing under the Constitution and laws of the State of California, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association duly organized and validly existing under the laws of the United States of America, as successor to BNY Western Trust Company, as fiscal agent (the "Fiscal Agent").

W I T N E S S E T H:

WHEREAS, Article XIV of the City's Charter authorizes the City to issue 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, or the purchase for intertie purposes of undivided joint interests or rights of use in other generation or transmission facilities, constructed either by governmental agencies or investor owned companies, or for the purpose of refunding any revenue bonds issued for such purposes;

WHEREAS, this Fifth Supplement is supplemental to the Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 1998 (the "Master Fiscal Agent Agreement"), by and between the City and the Fiscal Agent or its predecessor in interest, providing for the issuance of City of Pasadena, California Electric Revenue Bonds (the "Bonds") under the authority provided in Article XIV of the City's Charter;

WHEREAS, the Master Fiscal Agent Agreement provides that the City may issue additional Bonds and/or refunding Bonds from time to time as authorized by a supplemental fiscal agent agreement;

WHEREAS, as authorized by Ordinance No. 6760 of the City, adopted on August 3, 1998, the City has heretofore issued its \$70,635,000 principal amount of City of Pasadena, California Electric Revenue/Refunding Bonds, 1998 Series (the "1998 Bonds"), pursuant to the Master Fiscal Agent Agreement, as supplemented by the 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;

WHEREAS, as authorized by Ordinance No. 6902 of the City, adopted on July 1, 2002, the City has heretofore issued its \$82,320,000 principal amount of City of Pasadena, California Electric Revenue Bonds, 2002 Series, pursuant to the Master Fiscal Agent Agreement, as previously supplemented and as supplemented by the 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;

WHEREAS, as authorized by Ordinance No. 6949 of the City, adopted on July 21, 2003, the City has heretofore issued its \$9,905,000 principal amount of City of Pasadena, California Electric Revenue Bonds, 2003 Series, pursuant to the Master Fiscal Agent Agreement, as previously supplemented and as amended and supplemented by the Third Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 2003, by and between the City and the Fiscal Agent or its predecessor in interest;

WHEREAS, as authorized by Ordinance No. 7126 of the City, adopted on December 17, 2007, the City has heretofore issued its \$58,555,000 principal amount of City of Pasadena, California Electric Revenue Bonds, 2008 Series, pursuant to the Master Fiscal Agent Agreement, as previously amended and supplemented and as amended and supplemented by the Fourth Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of February 1, 2008, by and between the City and the Fiscal Agent or its predecessor in interest;

WHEREAS, as authorized by Ordinance No. ____ of the City, adopted on September __, 2009, the City now proposes to issue its \$_____ principal amount of City of Pasadena, California Electric Revenue Refunding Bonds, 2009 Series, pursuant to the Master Fiscal Agent Agreement, as previously amended and supplemented and as amended and supplemented by this Fifth Supplement (the Master Fiscal Agent Agreement as from time to time amended and supplemented being referred to as the "Fiscal Agent Agreement"), in order to refund a portion of the outstanding 1998 Bonds and to pay Costs of Issuance of the 2009 Bonds, said 2009 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

WHEREAS, the City Council has determined that it is necessary and desirable that the City enter into this Fifth Supplement in order to establish and declare, in conjunction with the Fiscal Agent Agreement, the terms and conditions upon which the 2009 Bonds shall be issued; and

WHEREAS, the City Council has determined that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and the entering into of this Fifth Supplement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Fifth Supplement;

NOW, THEREFORE, the parties hereto agree, as follows:

ARTICLE XV

2009 BONDS

SECTION 15.01. Definitions. The terms defined in this Section shall, for all purposes of this Fifth Supplement and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined. Terms defined in the Fiscal Agent Agreement not otherwise defined herein shall have the meanings specified therein.

“Escrow Agent” means The Bank of New York Mellon Trust Company, N.A., as escrow agent under the Escrow Agreement.

“Escrow Agreement” means the Escrow Agreement providing for the defeasance of the refunded 1998 Bonds, dated as of November 1, 2009, by and between the City and the Escrow Agreement.

“Interest Payment Date” means, with respect to the 2009 Bonds, February 1 and August 1 of each year, commencing February 1, 2010.

“Ordinance” means Ordinance No. _____ of the City, adopted on September ____, 2009, authorizing the issuance of the 2009 Bonds, and providing certain terms and conditions for the issuance of the 2009 Bonds.

“Original Purchaser” means _____, as the [representative of the] original purchaser[s] of the 2009 Bonds.

“2009 Bond” or “2009 Bonds” means any or all, as the case may be, of the City of Pasadena, California Electric Revenue Refunding Bonds, 2009 Series, as described in Section 15.02 and 15.03 hereof.

SECTION 15.02. Authorization.

(A) A fifth Series of Bonds to be issued under the Fiscal Agent Agreement is hereby created. Such Series shall be known as the “City of Pasadena, California Electric Revenue Refunding Bonds, 2009 Series” (herein referred to as the “2009 Bonds”). The 2009 Bonds shall be issued in the aggregate principal amount of \$_____ in accordance with the City Charter, the Ordinance and the Fiscal Agent Agreement for the purpose of refunding \$_____ principal amount of the \$43,475,000 outstanding principal amount of 1998 Bonds and paying Costs of Issuance of the 2009 Bonds.

(B) The 2009 Bonds shall be issued in fully registered form and shall be initially issued registered in the name of “Cede & Co.,” as nominee of The Depository Trust Company. The 2009 Bonds shall be evidenced by one 2009 Bond maturing on each of the maturity dates as set forth in Section 15.03 in a denomination corresponding to the total principal amount of the 2009 Bonds of such maturity. The Fiscal Agent may assign a distinctive number or letter and number, and a record of the same shall be maintained by the Fiscal Agent for each 2009 Bond.

Registered ownership of the 2009 Bonds, or any portion thereof, may not thereafter be transferred except as set forth in the Fiscal Agent Agreement.

SECTION 15.03. Terms of 2009 Bonds. The 2009 Bonds shall be issued in denominations of \$5,000 principal amount or any integral multiple thereof. The 2009 Bonds shall be dated their date of delivery, and shall mature on August 1 in the years and in the principal amounts and shall bear interest at the rates set forth below:

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>
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The 2009 Bonds shall be Current Interest Indebtedness. Each 2009 Bond shall bear interest until the principal sum thereof has been paid; provided, however, that if, at the maturity date of any 2009 Bond, or if the same is redeemable prior to maturity and has been duly called for redemption, funds are available for the payment or redemption thereof in accordance with the terms of this Fifth Supplement, the 2009 Bond shall then cease to bear interest. The principal of and premium, if any, on the 2009 Bonds shall be payable in lawful money of the United States of America by the Fiscal Agent upon presentation and surrender thereof.

Interest with respect to any 2009 Bond shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless such date of authentication is during the period from a Record Date to and including the next succeeding Interest Payment Date, in which case interest with respect thereto shall be payable from such Interest Payment Date, or unless such date of authentication is prior to the Record Date for the first Interest Payment Date, in which case interest with respect thereto shall be payable from the date of delivery of the 2009 Bonds; provided, however, that if at the time of authentication of any 2009 Bond, interest with respect thereto is in default, interest with respect thereto shall be payable from the Interest Payment Date to which interest has previously been paid. Interest on the 2009 Bonds shall be calculated on the basis of a 360-day year comprised of twelve 30-day months. Payment of interest with respect to any 2009 Bond shall be made to the person appearing on the Bond Register as the Owner thereof as of the Record Date, such interest to be paid by check or draft of the Fiscal Agent, payable in lawful money of the United States of America and mailed on each

Interest Payment Date to such Owner at his address as it appears on the Bond Register; provided, that in the case of an Owner of \$1,000,000 or more in aggregate principal amount of 2009 Bonds, upon written request of such Owner delivered to the Fiscal Agent not less than 20 days prior to any Interest Payment Date, such interest shall be paid in immediately available funds by wire transfer to an account specified by the Owner in such written request on the following Interest Payment Date.

So long as the 2009 Bonds are maintained in book-entry form, payments of principal, premium, if any, and interest shall be made by the Fiscal Agent to the Securities Depository by wire transfer.

The Fiscal Agent shall provide CUSIP number identification, with appropriate dollar amounts for each CUSIP number, on all redemption payments and interest payments, whether by check or by wire transfer.

SECTION 15.04. Form of 2009 Bonds and Certificate of Authentication. The 2009 Bonds and the certificate of authentication shall be substantially in the form set forth in Exhibit A hereto with necessary or appropriate variations, omissions and insertions, as permitted or required by this Fifth Supplement.

SECTION 15.05. Disposition of Proceeds. The disposition of proceeds of the 2009 Bonds shall be as follows:

(a) There is hereby established a separate fund in the City Treasury for the purpose of assuring the application of proceeds received from the sale of the 2009 Bonds to the purposes set forth in Section 15.02 hereof, which separate fund is hereby designated as "ELECTRIC REVENUE REFUNDING BONDS, 2009 SERIES, PROCEEDS/CONSTRUCTION FUND (the "2009 Electric Bonds Proceeds Fund"). There is hereby established within the 2009 Electric Bonds Proceeds Fund a separate account hereby designated as the "2009 Electric Bonds Costs of Issuance Account."

(b) The Director of Finance shall, immediately upon receiving the proceeds of the sale of the 2009 Bonds, place in the 2009 Electric Bonds Proceeds Fund all sums received upon such sale less the amount of \$ _____ which shall be transferred by the Original Purchaser directly to the Escrow Agent on behalf of the City to be applied as provided in the Escrow Agreement, such amount being placed in the 2009 Electric Bonds Proceeds Fund being \$ _____ (which includes the Good Faith Deposit in the amount of \$ _____ previously delivered to the City), and shall immediately thereupon transfer from the 2009 Electric Bonds Proceeds Fund such \$ _____ amount to the 2009 Electric Bonds Costs of Issuance Account in the 2009 Electric Bonds Proceeds Fund.

(c) The moneys deposited in the 2009 Electric Bonds Costs of Issuance Account shall be expended from time to time to pay Costs of Issuance. If any amount shall remain in the 2009 Electric Bonds Costs of Issuance Account when all Costs of Issuance have been paid (but in any event not later than six months following the date of

issuance and delivery of the 2009 Bonds), such amount shall be transferred by the Director of Finance to the Parity Obligation Payment Fund.

(d) Amounts in the 2009 Electric Bonds Proceeds Fund, if any, and the 2009 Electric Bonds Costs of Issuance Account may be temporarily invested by the City in Investment Securities, and such proceeds and the interest thereon shall be applied exclusively to the objects and purposes set forth in this Fifth Supplement; provided, however, that in accordance with Subsection (D) of Section 1414 of Article XIV of the Charter, when the objects and purposes for which the 2009 Bonds were issued have been accomplished, any remaining unexpended funds in the 2009 Electric Bonds Proceeds Fund or the 2009 Electric Bonds Costs of Issuance Account therein shall be transferred to the Parity Obligation Payment Fund. Any such amounts transferred to the Parity Obligation Payment Fund may be temporarily invested by the City in Investment Securities after consultation with Bond Counsel regarding yield restriction limitations with respect to such investment.

SECTION 15.06. Redemption of 2009 Bonds. The 2009 Bonds shall be subject to the following redemption provisions:

(A) Optional Redemption. The 2009 Bonds maturing on or prior to August 1, _____, are not subject to redemption prior to maturity. The 2009 Bonds maturing on and after August 1, _____, are subject to redemption prior to maturity, at the option of the City, as a whole or in part, on _____ 1, _____, or on any date thereafter, in any order of maturity and by lot within a maturity, from funds derived by the City from any legal source, at a redemption price equal to the principal amount of the 2009 Bonds to be redeemed, together with accrued interest to the Redemption Date, without premium.

(B) Notice of Redemption. Notice of the intended redemption of any 2009 Bonds shall be given as provided in Section 3.02 of the Master Fiscal Agent Agreement; provided, however, that with respect to the 2009 Bonds, if by the date of mailing of notice of any optional redemption the City shall not have deposited with the Fiscal Agent moneys sufficient to redeem all the 2009 Bonds called for redemption, then such notice shall additionally state that it is expressly conditioned upon and subject to the availability of funds for such purpose not later than the opening of business on the Redemption Date and shall be of no effect unless funds sufficient for such purpose are available.

SECTION 15.07. Amendments to Certain Provisions of the Fiscal Agent Agreement. The following amendments to the Master Fiscal Agent Agreement shall become effective at such time as this Fifth Supplement shall be executed and delivered by the City and the Fiscal Agent.

(A) With respect to the 2009 Bonds, Section 4.04 of the Master Fiscal Agent Agreement is hereby amended to add the following paragraph to the end of the section:

“With respect to moneys in any of the funds and accounts held by the Fiscal Agent to be invested in Investment Securities as provided in the first sentence of this Section 4.04, such investments shall be directed by the City pursuant to a written request of the City filed with the Fiscal Agent at least two (2) Business Days in advance of the

making of such investment. In the absence of any such direction from the City, the Fiscal Agent shall invest any such moneys in a money market fund qualified as Investment Securities provided that as long as The Bank of New York Mellon Trust Company, N.A. is serving as Fiscal Agent, the Fiscal Agent shall invest such money the money market fund qualified as Investment Securities set forth in the letter of authorization and direction executed by the City and delivered to the Fiscal Agent. If no specific money market fund has been directed by the City, the Fiscal Agent shall make a request to the City for investment directions. Such moneys shall be held in cash, uninvested, until specific investment directions are provided by the City to the Fiscal Agent.”

(B) With respect to the 2009 Bonds, Section 7.02 of the Master Fiscal Agent Agreement is hereby amended to add the following paragraphs to the end of the section:

“The Fiscal Agent agrees to accept and act upon instructions or directions pursuant to this Fiscal Agent Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Fiscal Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the City elects to give the Fiscal Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Fiscal Agent in its discretion elects to act upon such instructions, the Fiscal Agent’s understanding of such instructions shall be deemed controlling. The Fiscal Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Fiscal Agent’s reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The City agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Fiscal Agent, including without limitation the risk of the Fiscal Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

The Fiscal Agent shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of unavoidable delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the Electric System, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Fiscal Agent and without its fault or negligence.

Subject to the provisions of any fee agreement that the City and the Fiscal Agent may enter into, the City shall pay to the Fiscal Agent from time to time reasonable compensation for all services rendered as Fiscal Agent under this Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Fiscal Agent Agreement, but the Fiscal Agent shall not have a lien therefor on any funds at any time held by it under this Fiscal Agent Agreement. The City further agrees, to the extent permitted by applicable law, to indemnify and save the Fiscal Agent, its officers, employees, directors and agents harmless against any costs, expenses, claims or liabilities whatsoever, including without limitation fees and expenses of its attorneys, which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or willful misconduct. The obligation of the City under this Section shall survive resignation or removal of the Fiscal Agent under this Agreement, payment of the Bonds and discharge of this Fiscal Agent Agreement.

The Fiscal Agent shall have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the 2009 Bonds.

No provision of the Fiscal Agent Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder.”

SECTION 15.08. Terms of 2009 Bonds Subject to the Fiscal Agent Agreement. Except as in this Fifth Supplement expressly provided, every term and condition contained in the Fiscal Agent Agreement shall apply to the Fifth Supplement and to the 2009 Bonds with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to the Fifth Supplement.

The Fifth Supplement and all the terms and provisions herein contained shall form part of the Fiscal Agent Agreement as fully and with the same effect as if all such terms and provisions had been set forth in the Fiscal Agent Agreement. The Fiscal Agent Agreement is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented and amended hereby.

SECTION 15.09. Governing Law. This Fifth Supplement shall be construed and governed in accordance with the laws of the State of California.

SECTION 15.10. Execution in Counterparts. The Fifth Supplement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed the Fifth Supplement by their officers thereunto duly authorized as of the day and year first written above.

CITY OF PASADENA

By: _____
Andrew Green
Director of Finance

(Seal)

ATTEST:

By: _____
Mark Jomsky
City Clerk

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Fiscal Agent

By: _____
Authorized Officer

APPROVED AS TO FORM:

By: _____
Michele Beal Bagneris
City Attorney

EXHIBIT A

[FORM OF 2009 BOND]

Bond No. _____

\$ _____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
CITY OF PASADENA

ELECTRIC REVENUE REFUNDING BOND, 2009 SERIES

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP NO.</u>
%	August 1, 20__	_____, 2009	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The City of Pasadena, a municipal corporation situated in the County of Los Angeles, State of California (the "City"), FOR VALUE RECEIVED, hereby promises to pay, only from the Net Income of the Electric System in the Light and Power Fund and such other funds as hereinafter provided, to the registered owner named above, or registered assigns, on the maturity date set forth above (subject to the right of prior redemption hereafter mentioned), the principal amount set forth above, and to pay interest on such principal amount, semiannually on February 1 and August 1 of each year, commencing February 1, 2010 (each such date shall be referred to herein as an "Interest Payment Date") at the interest rate set forth above. Interest with respect to this 2009 Bond shall be payable from the Interest Payment Date next preceding the date of authentication hereof unless such date of authentication is during the period from a Record Date (as hereinafter defined) to and including the next succeeding Interest Payment Date, in which case interest with respect hereto shall be payable from such Interest Payment Date, or unless such date of authentication is prior to the Record Date for the first Interest Payment Date, in which case interest with respect hereto shall be payable from the date of delivery of this 2009 Bond; provided, however, that if at the time of authentication of this 2009 Bond, interest with respect hereto is in default, interest with respect hereto shall be payable from the Interest Payment Date to which interest has previously been paid. Interest on this 2009 Bond is payable by check or draft of The Bank of New York Mellon Trust Company, N.A., in Los Angeles, California, or its successors and assigns, as Fiscal Agent for the 2009 Bonds, mailed on each Interest Payment Date to the registered Owner hereof as of the close of business on the 15th day of the month immediately preceding an Interest Payment Date (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Fiscal Agent; provided, that in the case of an Owner of \$1,000,000 or more in aggregate principal amount of 2009 Bonds, upon written request of such Owner delivered to the Fiscal Agent not less than 20 days prior to any Interest Payment Date, such interest shall be paid in immediately available funds by wire transfer to an account specified by the Owner in such written request on the

following Interest Payment Date. Both principal and any premium upon the redemption of all or any part hereof are payable in lawful money of the United States of America upon presentation and surrender hereof at the Corporate Trust Office of the Fiscal Agent in Los Angeles, California, or such other place as designated by the Fiscal Agent.

This is one of a duly authorized issue of bonds of the City designated "Electric Revenue Refunding Bonds, 2009 Series," referred to herein as the "2009 Bonds," all of which have been issued pursuant to Article XIV of said Charter for the purpose of providing moneys for the refunding certain outstanding Bonds of the City. The creation of said issue and the terms and conditions of the 2009 Bonds are provided for by the Ordinance of the City authorizing the 2009 Bonds and designated Ordinance No. _____, adopted by the City Council of the City on September __, 2009, and by an Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 1998, by and between the City and the Fiscal Agent (the "Master Fiscal Agent Agreement"), as amended and supplemented by a First Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 1998, by a Second Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of July 1, 2002, by a Third Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 2003, by a Fourth Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of February 1, 2008 and by a Fifth Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of November 1, 2009, each by and between the City and the Fiscal Agent or its predecessor in interest (collectively, the "Fiscal Agent Agreement"), and by acceptance hereof the Owner of this 2009 Bond assents to said terms and conditions. Said Ordinance was adopted under, the Fiscal Agent Agreement is entered into under, and this 2009 Bond is issued under, and each is to be construed in accordance with the Charter of the City and the laws and Constitution of the State of California. Capitalized terms used herein not otherwise defined shall have the meanings ascribed thereto in the Fiscal Agent Agreement.

This 2009 Bond does not constitute an indebtedness of the City but is an obligation payable, as to both principal and interest, and any premium upon the redemption hereof prior to maturity, exclusively from the Net Income of the Electric System in the Light and Power Fund and certain other funds as provided in the Fiscal Agent Agreement, but this shall not preclude the payment hereof from the proceeds of any bonds issued to refund the 2009 Bonds, nor preclude the use of any sum received as premium or accrued interest on the sale of the 2009 Bonds to pay principal and interest hereof, nor payment hereof from certain other funds or moneys as provided in Subdivision D of Section 1413 of Article XIV of the Charter of the City (the "Charter"). The Light and Power Fund is established in and by the Charter, and under the provisions of said Charter all money received from the sale or use of electric energy or otherwise derived from the Electric System of the City is required to be deposited in the Light and Power Fund and used only for the purposes set forth in said Charter, including the payment of the 2009 Bonds.

The 2009 Bonds will be issued on a parity with the \$70,635,000 aggregate principal amount of City of Pasadena, California Electric Revenue/Refunding Bonds, 1998 Series (the "1998 Bonds"), \$82,320,000 aggregate principal amount of City of Pasadena, California Electric Revenue Bonds, 2002 Series (the "2002 Bonds"), \$9,905,000 aggregate principal amount of City of Pasadena, California Electric Revenue Bonds, 2003 Series (the "2003 Bonds") and \$58,555,000 aggregate principal amount of City of Pasadena, California Electric Revenue Bonds, 2008 Series (the "2008 Bonds"), previously issued pursuant to the Fiscal Agent

Agreement, and to the extent remaining outstanding. The 2009 Bonds, the 2008 Bonds, the 2003 Bonds, the 2002 Bonds and the 1998 Bonds and any additional bonds to be issued pursuant to the Fiscal Agent Agreement are herein referred to collectively as the "Bonds." All Net Income deposited in the Light and Power Fund is pledged to secure the payment of the principal of and redemption premium, if any, and interest on the Bonds and any Parity Obligations in accordance with their terms, subject only to the provisions of the Fiscal Agent Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein. Said pledge shall constitute a first lien on the Net Income and shall be valid and binding from and after delivery by the City of the Bonds or Parity Obligations, without any physical delivery thereof or further act. Nothing in the Fiscal Agent Agreement restricts the issuance of additional bonds under Article XIV of the City Charter, subject to the limitations set forth in Article V of the Fiscal Agent Agreement, payable from the Light and Power Fund and ranking on a parity with or subordinate to the Bonds.

The Charter and covenants expressed in said Fiscal Agent Agreement impose upon the officers of said City certain obligations to the Owners of the 2009 Bonds, such covenants, among other things, restricting transfers out of the Light and Power Fund, prohibiting issuance of revenue bonds having any priority with respect to payment from the Light and Power Fund, placing limitations upon the issuance of additional bonds payable from said fund and imposing conditions with respect to any sale or lease of the Electric System. In the manner provided in the Fiscal Agent Agreement, any or all of the covenants expressed in the Fiscal Agent Agreement, and any other provision thereof, or any provision of any resolution or order authorizing or providing for the issuance of the 2009 Bonds, may be waived or modified at any time in the manner, to the extent, and upon the terms provided in the Fiscal Agent Agreement, which provides, in certain circumstances, for modifications and amendments without the consent of or notice to the registered Owners of the 2009 Bonds.

The 2009 Bonds maturing on or prior to August 1, _____, are not subject to redemption prior to maturity. The 2009 Bonds maturing on and after August 1, _____ are subject to redemption prior to maturity, at the option of the City, as a whole or in part, on _____ 1, _____ or on any date thereafter, in any order of maturity and by lot within a maturity, from funds derived by the City from any legal source, at a redemption price equal to the principal amount of the 2009 Bonds to be redeemed, together with accrued interest thereon to the Redemption Date, without premium.

Notice of redemption prior to maturity shall be given as provided in said Fiscal Agent Agreement.

The 2009 Bonds are registrable, as to principal and interest, in denominations of \$5,000 principal amount or any integral multiple thereof. This 2009 Bond is transferable by the registered Owner hereof, in person or by his or her duly authorized attorney, at the Corporate Trust Office of the Fiscal Agent in Los Angeles, California, or such other place as designated by the Fiscal Agent. This 2009 Bond may be exchanged at the Corporate Trust Office of the Fiscal Agent, or such other place as designated by the Fiscal Agent, for a like aggregate principal amount of 2009 Bonds of other denominations of the same Series and maturity. Any such transfer and exchange shall be only in the manner, subject to the limitations and upon payment of the charges provided in said Fiscal Agent Agreement. Upon such transfer or exchange, a new

registered 2009 Bond of authorized denomination or denominations for a like aggregate principal amount of the same Series, interest rate and maturity will be issued to the transferee in exchange herefor.

The Fiscal Agent may treat the registered Owner hereof as the absolute Owner hereof for all purposes, and shall not be affected by any notice to the contrary.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this 2009 Bond exist, have happened, and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California and the Charter, and that this 2009 Bond, together with all other obligations and indebtedness of the City pertaining to the aforesaid Electric System, is within every debt and other limit prescribed by or pursuant to the Constitution and statutes of the State of California and the Charter. Pursuant to Article XIV of the Charter, the foregoing recital of regularity of proceedings shall be conclusive evidence of compliance with the provisions of Article XIV of the Charter and of the validity of this 2009 Bond.

IN WITNESS WHEREOF, the City of Pasadena has caused this 2009 Bond to be signed by the Mayor, the Director of Finance and the City Clerk of the City by their facsimile signatures and the corporate seal of the City to be reproduced hereon.

Mayor of the City of Pasadena, California

Director of Finance of the City of Pasadena,
California

ATTEST:

City Clerk of the City of Pasadena, California
(SEAL)

CERTIFICATE OF AUTHENTICATION

This is one of the City of Pasadena, California Electric Revenue Refunding Bonds, 2009 Series, described in Ordinance No. _____ and the Electric Revenue Bond Fiscal Agent Agreement of the City of Pasadena, California.

Dated: _____, 2009

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Fiscal Agent

By: _____
Authorized Signatory

DTC LEGEND

Unless this 2009 Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the City or its agent for registration or transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ (Taxpayer Identification Number: _____) the within 2009 Bonds and all rights thereunder, and hereby irrevocably constitutes and appoints attorney to transfer the within 2009 Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Note: The signature to this Assignment must correspond with the name as written on the face of the Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed: _____

Notice: Signature(s) guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Fiscal Agent.

EXHIBIT B

PROPOSED FORM OF
ESCROW AGREEMENT