

**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, 2010A SERIES, PAYABLE OUT OF THE LIGHT AND POWER FUND, AND APPROVING THE EXECUTION AND DELIVERY OF A SIXTH 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. 6902 of the City, adopted on July 1, 2002, the City has heretofore authorized and issued \$82,320,000 principal amount of its City of Pasadena, California Electric Revenue Bonds, 2002 Series (the "2002 Bonds"), of which \$51,555,000 principal amount are outstanding and unpaid, which 2002 Bonds were issued for the purpose of providing moneys (i) to finance the costs of acquisition and construction of certain improvements to the Electric System of the City; (ii) to fund the Parity Reserve Fund; and (iii) to pay costs of issuance of the 2002 Bonds.

WHEREAS, pursuant to Article XIV of the Charter, the City now proposes to issue its Electric Revenue Refunding Bonds, 2010A Series (the "2010A 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 Sixth Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of July 1, 2010, 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 a portion of the outstanding 2002 Bonds, said 2010A 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 2010A Bonds.

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

Section 1. Authorization to Issue 2010A 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 2010A Bonds in the aggregate principal amount of not to exceed \$45,000,000 for the primary purpose of refunding a portion of the 2002 Bonds and the payment of costs and expenses incidental to the issuance of the 2010A Bonds.

(b) This Ordinance shall constitute complete authority to issue the 2010A Bonds pursuant to the Fiscal Agent Agreement as provided herein.

Section 2. Issuance of 2010A Bonds. The 2010A 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 Sixth Supplement.

Section 3. Date of Issuance; Maximum Interest Rates. The 2010A Bonds shall be dated their date of delivery. The maximum interest rate to be payable on the 2010A Bonds shall not exceed such rate as will result in a true interest cost to the City of greater than five percent (5.00%) per annum.

Section 4. Maturity Dates. The maximum term for the 2010A Bonds shall not exceed 12 years. Subject to the preceding sentence, the 2010A Bonds shall mature and be payable on such dates as specifically set forth in the Sixth Supplement described in Section 6 hereof.

Section 5. Source of Payment. The 2010A 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 Sixth Supplement. In order to prescribe the terms and conditions upon which the 2010A Bonds are to be issued, secured, executed, authenticated and held, the Sixth 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 Sixth 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 2010A 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 Sixth Supplement presented to this meeting.

Section 7. Escrow Agreement. The Escrow Agreement relating to the 2002 Bonds to be refunded, proposed to be executed and entered into by and between the City and The Bank of New York Mellon Trust Company, N.A., as 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 2010A 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 2010A Bonds and a surety bond in lieu of cash for any reserve fund deposit, 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 2010A 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 2010A 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 7th day of June 2010.

\_\_\_\_\_  
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 June 7, 2010, by the following vote:

Ayes:

Noes:

Absent:

Published: June \_\_\_\_\_, 2010, 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  
SIXTH SUPPLEMENT TO  
ELECTRIC REVENUE BOND FISCAL AGENT AGREEMENT

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SIXTH 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, 2010A Series

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Dated as of July 1, 2010

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

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EXHIBIT A – FORM OF BOND

SIXTH 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, 2010A Series

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This SIXTH SUPPLEMENT TO ELECTRIC REVENUE BOND FISCAL AGENT AGREEMENT, dated as of July 1, 2010 (the "Sixth 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 Sixth 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. 6960 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. 7177 of the City, adopted on September 21, 2009, the City has heretofore issued its \$40,655,000 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 the Fifth Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of November 1, 2009, by and between the City and the Fiscal Agent;

WHEREAS, as authorized by Ordinance No. \_\_\_\_\_ of the City, adopted on June [7], 2010, the City now proposes to issue its \$\_\_\_\_\_ principal amount of City of Pasadena, California Electric Revenue Refunding Bonds, 2010A Series, pursuant to the Master Fiscal Agent Agreement, as previously amended and supplemented and as amended and supplemented by this Sixth 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 2002 Bonds and to pay Costs of Issuance of the 2010A Bonds, said 2010A 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 Sixth Supplement in order to establish and declare, in conjunction with the Fiscal Agent Agreement, the terms and conditions upon which the 2010A 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 Sixth 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 Sixth Supplement;

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

## ARTICLE XVI

### 2010A BONDS

SECTION 16.01. Definitions. The terms defined in this Section shall, for all purposes of this Sixth 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 2002 Bonds, dated as of July 1, 2010, by and between the City and the Escrow Agreement.

“Interest Payment Date” means, with respect to the 2010A Bonds, June 1 and December 1 of each year, commencing December 1, 2010.

“Ordinance” means Ordinance No. \_\_\_\_\_ of the City, adopted on June [7], 2010, authorizing the issuance of the 2010A Bonds, and providing certain terms and conditions for the issuance of the 2010A Bonds.

“Original Purchaser” means \_\_\_\_\_, as the original purchaser of the 2010A Bonds.

“2010A Bond” or “2010A Bonds” means any or all, as the case may be, of the City of Pasadena, California Electric Revenue Refunding Bonds, 2010A Series, as described in Section 16.02 and 16.03 hereof.

### SECTION 16.02. Authorization.

(A) A sixth 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, 2010A Series” (herein referred to as the “2010A Bonds”). The 2010A 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 \$51,555,000 outstanding principal amount of 2002 Bonds and paying Costs of Issuance of the 2010A Bonds.

(B) The 2010A 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 2010A Bonds shall be evidenced by one 2010A Bond maturing on each of the maturity dates as set forth in Section 16.03 in a denomination corresponding to the total principal amount of the 2010A 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 2010A Bond. Registered ownership of the 2010A Bonds, or any portion thereof, may not thereafter be transferred except as set forth in the Fiscal Agent Agreement.

SECTION 16.03. Terms of 2010A Bonds. The 2010A Bonds shall be issued in denominations of \$5,000 principal amount or any integral multiple thereof. The 2010A Bonds shall be dated their date of delivery, and shall mature on June 1 in the years and in the principal amounts and shall bear interest at the rates set forth below:

<u>Maturity Date (June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		

The 2010A Bonds shall be Current Interest Indebtedness. Each 2010A Bond shall bear interest until the principal sum thereof has been paid; provided, however, that if, at the maturity date of any 2010A 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 Sixth Supplement, the 2010A Bond shall then cease to bear interest. The principal of and premium, if any, on the 2010A 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 2010A 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 2010A Bonds; provided, however, that if at the time of authentication of any 2010A 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 2010A 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 2010A 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 2010A 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 2010A 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 16.04. Form of 2010A Bonds and Certificate of Authentication. The 2010A 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 Sixth Supplement.

SECTION 16.05. Disposition of Proceeds. The disposition of proceeds of the 2010A 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 2010A Bonds to the purposes set forth in Section 16.02 hereof, which separate fund is hereby designated as "ELECTRIC REVENUE REFUNDING BONDS, 2010A SERIES, PROCEEDS/CONSTRUCTION FUND (the "2010A Electric Bonds Proceeds Fund"). There is hereby established within the 2010A Electric Bonds Proceeds Fund a separate account hereby designated as the "2010A Electric Bonds Costs of Issuance Account."

(b) The Director of Finance shall, immediately upon receiving the proceeds of the sale of the 2010A Bonds, place in the 2010A 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, together with (i) \$\_\_\_\_\_ (representing the Good Faith Deposit received by the City from the Original Purchaser) transferred by the City to the Escrow Agent and (ii) \$\_\_\_\_\_ (representing the amount in the Parity Reserve Fund that exceeds the Reserve Fund Requirement upon the issuance of the Bonds) transferred by the City from the Parity Reserve Fund to the Escrow Agent, as provided in the Escrow Agreement, such amount being placed in the 2010A Electric Bonds Proceeds Fund being \$\_\_\_\_\_, and shall immediately thereupon transfer from the 2010A Electric Bonds Proceeds Fund such

\$ \_\_\_\_\_ amount to the 2010A Electric Bonds Costs of Issuance Account in the 2010A Electric Bonds Proceeds Fund.

(c) The moneys deposited in the 2010A 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 2010A 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 2010A Bonds), such amount shall be transferred by the Director of Finance to the Parity Obligation Payment Fund.

(d) Amounts in the 2010A Electric Bonds Proceeds Fund, if any, and the 2010A 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 Sixth 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 2010A Bonds were issued have been accomplished, any remaining unexpended funds in the 2010A Electric Bonds Proceeds Fund or the 2010A 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 16.06. Redemption of 2010A Bonds. The 2010A Bonds shall be subject to the following redemption provisions:

(A) Optional Redemption. The 2010A Bonds maturing on or prior to June 1, 2020, are not subject to redemption prior to maturity. The 2010A Bonds maturing on [and after] June 1, 2021, are subject to redemption prior to maturity, at the option of the City, as a whole or in part, on June 1, 2020, 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 2010A 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 2010A Bonds shall be given as provided in Section 3.02 of the Master Fiscal Agent Agreement; provided, however, that with respect to the 2010A 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 2010A 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 16.07. 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 Sixth Supplement shall be executed and delivered by the City and the Fiscal Agent.

(A) With respect to the 2010A 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 2010A 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 2010A 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 16.08. Terms of 2010A Bonds Subject to the Fiscal Agent Agreement.**

Except as in this Sixth Supplement expressly provided, every term and condition contained in the Fiscal Agent Agreement shall apply to the Sixth Supplement and to the 2010A 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 Sixth Supplement.

The Sixth 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 16.09. Governing Law.** This Sixth Supplement shall be construed and governed in accordance with the laws of the State of California.

SECTION 16.10. Execution in Counterparts. The Sixth 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.

**IN WITNESS WHEREOF**, the parties hereto have executed the Sixth 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 2010A BOND]

Bond No. \_\_\_\_\_

\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF CALIFORNIA  
CITY OF PASADENA

ELECTRIC REVENUE REFUNDING BOND, 2010A SERIES

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP NO.</u>
%	June 1, 20__	_____, 2010	

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 June 1 and December 1 of each year, commencing December 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 2010A 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 2010A Bond; provided, however, that if at the time of authentication of this 2010A 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 2010A 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 2010A 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 2010A 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, 2010A Series," referred to herein as the "2010A 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 2010A Bonds are provided for by the Ordinance of the City authorizing the 2010A Bonds and designated Ordinance No. \_\_\_\_\_, adopted by the City Council of the City on June [7], 2010, 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, by a Fifth Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of November 1, 2009, and by a Sixth Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of July 1, 2010, 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 2010A Bond assents to said terms and conditions. Said Ordinance was adopted under, the Fiscal Agent Agreement is entered into under, and this 2010A 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 2010A 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 2010A Bonds, nor preclude the use of any sum received as premium or accrued interest on the sale of the 2010A 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 2010A Bonds.

The 2010A 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"),

\$58,555,000 aggregate principal amount of City of Pasadena, California Electric Revenue Bonds, 2008 Series (the "2008 Bonds") and \$40,655,000 aggregate principal amount of City of Pasadena, California Electric Revenue Refunding Bonds, 2009 Series (the "2009 Bonds") previously issued pursuant to the Fiscal Agent Agreement, and to the extent remaining outstanding. The 2010A Bonds, 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 2010A 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 2010A 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 2010A Bonds.

The 2010A Bonds maturing on or prior to June 1, 2020, are not subject to redemption prior to maturity. The 2010A Bonds maturing on [and after] June 1, 2021 are subject to redemption prior to maturity, at the option of the City, as a whole or in part, on June 1, 2020 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 2010A 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 2010A Bonds are registrable, as to principal and interest, in denominations of \$5,000 principal amount or any integral multiple thereof. This 2010A 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 2010A 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 2010A 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 2010A 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 2010A 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 2010A 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 2010A Bond.

IN WITNESS WHEREOF, the City of Pasadena has caused this 2010A 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.

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Mayor of the City of Pasadena, California

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Director of Finance of the City of Pasadena,  
California

ATTEST:

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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, 2010A Series, described in Ordinance No. \_\_\_\_\_ and the Electric Revenue Bond Fiscal Agent Agreement of the City of Pasadena, California.

Dated: \_\_\_\_\_, 2010

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

By: \_\_\_\_\_  
Authorized Signatory

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DTC LEGEND

Unless this 2010A 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 2010A Bonds and all rights thereunder, and hereby irrevocably constitutes and appoints attorney to transfer the within 2010A 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

**ESCROW AGREEMENT  
RELATING TO THE DEFEASANCE AND REDEMPTION  
OF A PORTION OF THE CITY OF PASADENA, CALIFORNIA  
ELECTRIC REVENUE BONDS, 2002 SERIES**

THIS ESCROW AGREEMENT, dated as of July 1, 2010 (this “Escrow Agreement”), by and between the City of Pasadena, California (the “City”) and The Bank of New York Mellon Trust Company, N.A., as escrow agent hereunder (the “Escrow Agent”),

WITNESSETH:

WHEREAS, pursuant to an Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 1998 (as amended and supplemented, the “Fiscal Agent Agreement”), by and between the City and The Bank of New York Mellon Trust Company, N.A., as successor fiscal agent (the “Fiscal Agent”), the City heretofore issued \$82,320,000 principal amount of its Electric Revenue Bonds, 2002 Series, of which \$51,555,000 principal amount are currently outstanding (the “2002 Bonds”); and

WHEREAS, the City’s Electric Revenue Refunding Bonds, 2010A Series (the “2010A Bonds”) are being issued pursuant to the Fiscal Agent Agreement for the purpose of refunding a portion of the outstanding 2002 Bonds (such 2002 Bonds being refunded are more particularly identified in Exhibit A attached hereto and referred to herein as the “Refunded 2002 Bonds”), by providing funds to pay the interest to become due on the Refunded 2002 Bonds to and including June 1, 2012 and to redeem on June 1, 2012 the Refunded 2002 Bonds at a redemption price equal to 100% of the principal amount thereof; and

WHEREAS, in order to accomplish the refunding of the Refunded 2002 Bonds in accordance with the Fiscal Agent Agreement, the City will deposit, or cause to be deposited, with the Escrow Agent, proceeds of the 2010A Bonds and certain other available funds in accordance with this Escrow Agreement;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the City and the Escrow Agent agree as follows:

SECTION 1. Deposit of Moneys. The City will irrevocably deposit, or cause to be deposited, with the Escrow Agent \$\_\_\_\_\_, comprised of (a) \$\_\_\_\_\_ representing a portion of the net proceeds of the sale of the 2010A Bonds, (b) \$\_\_\_\_\_ representing the Good Faith Deposit received by the City from the original purchaser of the 2010A Bonds and (c) \$\_\_\_\_\_ transferred from moneys on deposit in the Parity Reserve Fund; all to be held in irrevocable trust by the Escrow Agent, separate and apart from other funds of the City and the Escrow Agent, in a fund hereby created and established to be known as the “Escrow Fund” and to be applied solely as provided in this Escrow Agreement. \$\_\_\_\_\_ of said moneys will be applied to purchase direct obligations of the United States of America (including obligations held or issued in book-entry form on the books of the Department of the Treasury of the United States of America and CATS and TIGRS) or obligations the timely payment of the principal of and interest on which are fully guaranteed by the United States of America and otherwise satisfying the criteria set forth in Section 9.03 of the Fiscal Agent Agreement (the



“Federal Securities”), and \$ \_\_\_\_ of said moneys will be held uninvested as cash. The moneys set forth above are at least an amount sufficient to purchase the Federal Securities. The principal of and interest on the Federal Securities when due will provide moneys, together with the moneys held uninvested as cash as set forth above, which will be sufficient to pay the interest to become due on the Refunded 2002 Bonds to and including June 1, 2012 and to redeem on June 1, 2012 the Refunded 2002 Bonds at a redemption price equal to 100% of the principal amount thereof. The amounts required to be paid on the Refunded 2002 Bonds are shown on Exhibit B hereto. In accordance with the Fiscal Agent Agreement, upon the deposit of funds as provided in this Section 1, notice of the redemption of the Refunded 2002 Bonds having been given as set forth in Section 5 hereof, the pledge of the Net Income and other assets made under the Fiscal Agent Agreement in respect of the Refunded 2002 Bonds shall cease, terminate and be completely discharged and satisfied, and all payments of interest on, any redemption premium, and principal of the Refunded 2002 Bonds shall be paid only from moneys on deposit with the Escrow Agent as provided in this Escrow Agreement.

SECTION 2. Investment of Moneys. The Escrow Agent acknowledges receipt of the moneys described in Section 1 hereof and agrees immediately to invest such moneys in the Federal Securities set forth in Exhibit C hereto, if any, and to deposit such Federal Securities, if any, in the Escrow Fund. All other amounts held in the Escrow Fund shall be held as cash except as provided in Section 3 or 4 herein.

SECTION 3. Investment of Any Remaining Moneys. In the event that the Escrow Agent shall receive (i) any cash payment not required for the initial purchase of Federal Securities set forth in Exhibit C hereto, if any, or (ii) any payment of principal or interest from the Federal Securities, if any, prior to the date on which such payment is required for the purposes set forth herein, then, at the written direction of the City, the Escrow Agent shall reinvest the amount of such payment, or any portion thereof, in noncallable Federal Securities maturing in an amount at least equal to the purchase price thereof and maturing not later than the date on which such payment or portion thereof is required for the purposes set forth in Section 5, as verified in a report (a “Verification Report”) prepared by an independent certified public accountant or firm of certified public accountants experienced in the refunding of obligations of governmental entities (a “Verification Agent”) and provided the City has obtained and delivered to the Escrow Agent an unqualified opinion of nationally recognized bond counsel that such reinvestment will not adversely affect the exclusion from gross income of interest payable on the 2010A Bonds or the 2002 Bonds for purposes of federal income taxation. The Escrow Agent shall monitor compliance with the foregoing requirements. Any investment income resulting from investment or reinvestment of moneys pursuant to this Section 3 which is not required for the purposes set forth in this Section 3 or in Section 5, as verified in the Verification Report, originally obtained by the City with respect to the refunding of the Refunded 2002 Bonds or in any other Verification Report, shall be transferred to the Parity Obligation Payment Fund established pursuant to Section 4.02 of the Fiscal Agent Agreement. Any such amounts transferred to the Parity Obligation Payment Fund may be temporarily invested by the City in Investment Securities (as defined in the Fiscal Agent Agreement) after consultation with nationally recognized bond counsel regarding yield restriction limitations with respect to such investment.

SECTION 4. Substitution of Securities. Upon the written request of the City, and subject to the conditions and limitations herein set forth, the Escrow Agent shall sell, redeem or otherwise dispose of Federal Securities, if any, provided that there are substituted therefor from the proceeds of such Federal Securities, other Federal Securities satisfying the criteria for Federal Securities set forth in the Fiscal Agent Agreement, but only after the City has obtained and delivered to the Escrow Agent (i) an unqualified opinion of nationally recognized bond counsel that such reinvestment will not adversely affect the exclusion from gross income of interest payable on the 2010A Bonds or the 2002 Bonds for purposes of federal income taxation and (ii) a report by a Verification Agent to the effect that such reinvestment will not adversely affect the sufficiency of the amounts of securities, investments and money in the Escrow Fund to pay the Refunded 2002 Bonds as provided in Section 1. The Escrow Agent shall not be liable or responsible for any loss resulting from any reinvestment made pursuant to this Escrow Agreement and in full compliance with the provisions hereof.

SECTION 5. Payment of Refunded 2002 Bonds.

(a) Payment of Refunded 2002 Bonds. From the maturing principal of the Federal Securities, if any, and the investment income and other earnings thereon, if any, and other moneys on deposit in the Escrow Fund, the Escrow Agent shall pay the interest to become due on the Refunded 2002 Bonds to and including June 1, 2012 and to redeem on June 1, 2012 the Refunded 2002 Bonds at a redemption price equal to 100% of the principal amount thereof. Any moneys remaining in the Escrow Fund after payment of the Refunded 2002 Bonds in full as provided herein 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 nationally recognized bond counsel regarding yield restriction limitations with respect to such investment.

(b) Instructions to Provide Notice. The City hereby irrevocably instructs the Fiscal Agent (i) to mail a notice to the owners of the Refunded 2002 Bonds substantially in the form of Exhibit D hereto that an irrevocable deposit has been made with the Escrow Agent and that the Refunded 2002 Bonds have been deemed to be paid, all in accordance with the Fiscal Agent Agreement, and (ii) to provide notice of the redemption of the Refunded 2002 Bonds to be redeemed substantially in the form of Exhibit E hereto (A) by mail, postage prepaid, to the registered owners of the Refunded 2002 Bonds and to the Municipal Securities Rulemaking Board (MSRB) through the Electronic Municipal Market Access System (referred to as "EMMA"), at [www.emma.msrb.org](http://www.emma.msrb.org), at least thirty (30) days but not more than sixty (60) days prior to June 1, 2012, the redemption date, all in accordance with Section 3.02 of the Fiscal Agent Agreement.

The Fiscal Agent is hereby further instructed to provide by telecopy, certified, registered or overnight mail to the Securities Depositories (as defined in the Fiscal Agent Agreement) such redemption notice one (1) day prior to the mailing of the redemption notice to such owners and the MSRB in accordance with the Fiscal Agent Agreement.

(c) Unclaimed Moneys. Subject to the applicable laws of the State of California, any moneys which remain unclaimed for two (2) years after the date when such moneys have become due and payable shall be repaid by the Escrow Agent to the City as its absolute property

and free from trust, and all liability of the Escrow Agent with respect to such moneys shall thereupon cease and any unpaid owners of Refunded 2002 Bonds shall look only to the City for the payment thereof; provided, however, that before being required to make any such payment to the City, the Escrow Agent shall, at the expense of the City, first mail to the owners of any Refunded 2002 Bonds remaining unpaid, a notice that said moneys remain unclaimed and that the balance of such moneys then unclaimed will be returned to the City.

(d) Priority of Payments. The owners of the Refunded 2002 Bonds shall have a lien on moneys and securities, if any, in the Escrow Fund, including, as applicable, any redemption premium thereon, in accordance with this Escrow Agreement, until such moneys and such securities, if any, are used and applied as provided in this Escrow Agreement.

SECTION 6. Resignation and Removal of Escrow Agent. The Escrow Agent may at any time resign and be discharged of the duties and obligations hereunder by giving at least thirty (30) days written notice to the City. The Escrow Agent may be removed at any time by an instrument in writing signed by the City. In either such event, the City shall appoint a successor escrow agent by an instrument in writing. Any such resignation or removal shall become effective upon acceptance of appointment of a successor escrow agent.

SECTION 7. Performance of Duties. The Escrow Agent agrees to perform the duties set forth herein and shall have no responsibility to take any action not set forth herein.

SECTION 8. Escrow Agent's Authority to Make Investments. Except as provided in Sections 2, 3 and 4 hereof, the Escrow Agent shall have no power or duty to invest any funds held under this Escrow Agreement or to sell, transfer or otherwise dispose of the moneys or Federal Securities, if any, held hereunder.

SECTION 9. Indemnity. The City hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Agent and its respective successors, assigns, agents and employees, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) which may be imposed on, incurred by, or asserted against, the Escrow Agent at any time (whether or not also indemnified against the same by the City or any other person under any other agreement or instrument, but without double indemnity) relating to or arising out of the execution, delivery and performance of this Escrow Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds and securities deposited therein, the purchase of the Federal Securities, if any, the retention of the Federal Securities or the proceeds thereof, if any, and any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Escrow Agreement; provided, however, that the City shall not be required to indemnify the Escrow Agent against the Escrow Agent's own negligence or willful misconduct or the default by the Escrow Agent of the terms of this Escrow Agreement. In no event shall the City or the Escrow Agent be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this Section 9. The indemnities contained in this Section 9 shall survive the termination of this Escrow Agreement and the resignation or removal of the Escrow Agent.

SECTION 10. Responsibilities of Escrow Agent.

(a) Liability of Escrow Agent. The Escrow Agent and its employees and agents shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the acceptance of the funds and securities deposited therein, the purchase of the Federal Securities, if any, the retention of the Federal Securities or the proceeds thereof, if any, the sufficiency of the Federal Securities, if any, to pay the Refunded 2002 Bonds or any payment, transfer or other application of moneys or obligations by the Escrow Agent in accordance with the provisions of this Escrow Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Agent made in good faith in the conduct of its duties. The recitals of fact contained in the "Whereas" clauses herein shall be taken as the statements of the City, and the Escrow Agent assumes no responsibility for the correctness thereof. The Escrow Agent makes no representation as to the sufficiency of the Federal Securities, if any, to accomplish the refunding of the Refunded 2002 Bonds or to the validity of this Escrow Agreement as to the City and, except as otherwise provided herein, the Escrow Agent shall incur no liability in respect thereof. The Escrow Agent shall not be liable in connection with the performance of its duties under this Escrow Agreement except for its own negligence or willful misconduct, and the duties and obligations of the Escrow Agent shall be determined by the express provisions of this Escrow Agreement. The Escrow Agent may consult with counsel, who may or may not be counsel to the City, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any reasonable action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Escrow Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the City. Notwithstanding anything in this Escrow Agreement to the contrary, in no event shall the Escrow Agent be liable for special, indirect or consequential loss or damage (including but not limited to lost profits), even if the Escrow Agent has been advised of such loss or damage and regardless of the form of action.

(b) No Obligation to Expend Own Funds. No provision of this Escrow Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability (except as otherwise expressly provided in this Section 10) in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

(c) Merger or Consolidation of Escrow Agent. Any company into which the Escrow Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Escrow Agent without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

SECTION 11. Amendments. This Escrow Agreement is made for the benefit of the City and the owners from time to time of the Refunded 2002 Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such owners, the Escrow Agent and the City; provided, however, that the City and the Escrow Agent may, without the consent

of, or notice to, such owners, amend this Escrow Agreement or enter into such agreements supplemental to this Escrow Agreement as shall not adversely affect the rights of such owners and as shall not be contrary to the terms and provisions of this Escrow Agreement or the Fiscal Agent Agreement, for any of the following purposes: (i) to cure any ambiguity or defect or omission in this Escrow Agreement; (ii) to include under this Escrow Agreement additional funds or securities; or (iii) to effect any other change to this Escrow Agreement provided that such change does not materially adversely affect the interests of the owners of the Refunded 2002 Bonds. The Escrow Agent shall be entitled to rely conclusively upon an unqualified opinion of nationally recognized bond counsel with respect to compliance with this Section 11, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the owners of the Refunded 2002 Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section 11.

SECTION 12. Term. This Escrow Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of (i) the date upon which the Refunded 2002 Bonds have been paid in accordance with this Escrow Agreement or (ii) the date upon which no unclaimed moneys remain on deposit with the Escrow Agent pursuant to Section 5(c) of this Escrow Agreement.

SECTION 13. Compensation. The Escrow Agent shall receive its reasonable fees and expenses as previously agreed to by the Escrow Agent and the City; provided, however, that under no circumstances shall the Escrow Agent be entitled to any moneys or securities on deposit in the Escrow Fund, or to any lien whatsoever on any moneys or securities in the Escrow Fund, for the payment of fees and expenses for services rendered or expenses incurred by the Escrow Agent under this Escrow Agreement.

SECTION 14. Severability. If any one or more of the covenants or agreements provided in this Escrow Agreement on the part of the City or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement.

SECTION 15. Counterparts. This Escrow Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original but all of which shall constitute and be but one and the same instrument.

SECTION 16. Governing Law. This Escrow Agreement shall be construed under the laws of the State of California.

SECTION 17. Insufficient Funds. If at any time the moneys and securities, if any, in the Escrow Fund, including the anticipated proceeds of and earnings thereon, will not be sufficient to make all payments required by this Escrow Agreement, the Escrow Agent shall notify the City in writing, immediately upon becoming aware of such deficiency, of the amount of the deficiency and the reason therefor, if known. The Escrow Agent shall have no further responsibility regarding any such deficiency.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed by their duly authorized officers and attested as of the date first above written.

CITY OF PASADENA, CALIFORNIA

By: \_\_\_\_\_  
Andrew Green  
Director of Finance

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

By \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

**REFUNDED 2002 BONDS**

The Refunded 2002 Bonds have the maturity dates and CUSIP numbers as set forth below:

<u>Maturity (June 1)</u>	<u>Principal Amount Outstanding</u>	<u>Principal Amount to be Refunded</u>	<u>CUSIP Number</u>	<u>Bond Number</u>
2013	\$3,620,000		702248JX4	11
2014	3,765,000		702248JY2	12
2015	3,915,000		702248JZ9	13
2016	4,110,000		702248KA2	14
2017	4,320,000		702248KB0	15
2018	4,535,000		702248KC8	16
2019	4,760,000		702248KD6	17
2020	5,000,000		702248KE4	18
2021	5,260,000		702248KF1	19

**EXHIBIT B**

**REQUIREMENTS OF THE REFUNDED 2002 BONDS**

<u>Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Redemption Premium</u>	<u>Total Requirements</u>
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**EXHIBIT C**

**FEDERAL SECURITIES**

**UNITED STATES TREASURY SECURITIES –  
STATE AND LOCAL GOVERNMENT SERIES**

<u>Type</u>	<u>Maturity Date</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>Total Cost of SLGS</u>
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Total

## EXHIBIT D

### NOTICE OF PARTIAL REDEMPTION

#### CITY OF PASADENA, CALIFORNIA ELECTRIC REVENUE BONDS, 2002 SERIES

NOTICE IS HEREBY GIVEN to the owners of the above-captioned bonds that a portion of such bonds as specified in the table below (the "Refunded 2002 Bonds") of the CITY OF PASADENA, CALIFORNIA (the "City"), issued on August 6, 2002 pursuant to the Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 1998, as amended and supplemented, by and between the City and The Bank of New York Mellon Trust Company, N.A., as successor fiscal agent (the "Fiscal Agent"), have been called for redemption on June 1, 2012 (the "Redemption Date").

The Refunded 2002 Bonds so called for redemption on the Redemption Date are numbered and mature as set forth below:

<u>Maturity (June 1)</u>	<u>Principal Amount Outstanding</u>	<u>Principal Amount to be Redeemed</u>	<u>CUSIP Number</u>	<u>Bond Number</u>
2013	\$3,620,000		702248JX4	11
2014	3,765,000		702248JY2	12
2015	3,915,000		702248JZ9	13
2016	4,110,000		702248KA2	14
2017	4,320,000		702248KB0	15
2018	4,535,000		702248KC8	16
2019	4,760,000		702248KD6	17
2020	5,000,000		702248KE4	18
2021	5,260,000		702248KF1	19

Owners of the Refunded 2002 Bonds must present and surrender the Refunded 2002 Bonds on the Redemption Date at the applicable address of the Fiscal Agent set forth below:

First Class/Registered/Certified:

**The Bank of New York Mellon**  
Global Corporate Trust  
P.O. Box 2320  
Dallas, Texas 75221-2320

Express Delivery Only:

**The Bank of New York Mellon**  
Global Corporate Trust  
2001 Bryan Street, 9<sup>th</sup> Floor  
Dallas, Texas 75201

By Hand Only:

**The Bank of New York Mellon**  
Global Corporate Trust  
Corporate Trust Window  
101 Barclay Street, 1<sup>st</sup> Floor East  
New York, New York 10286

On June 1, 2012, the Refunded 2002 Bonds will be payable at a redemption price of 100% of the principal amount thereof with accrued interest thereon, and from and after June 1, 2012 interest on the Refunded 2002 Bonds will not accrue.

**Important Notice**

Under the Jobs and Growth Tax Relief Reconciliation Act of 2003, 28% will be withheld if tax identification number is not properly certified.

*The CUSIP numbers have been assigned by an independent service for convenience of reference and none of the City, the Fiscal Agent or the Escrow Agent shall be held liable for any inaccuracy in any such CUSIP number.*

DATED: \_\_\_\_\_, 2012

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

**EXHIBIT E**

**NOTICE OF PARTIAL DEFEASANCE**

**CITY OF PASADENA, CALIFORNIA  
ELECTRIC REVENUE BONDS, 2002 SERIES**

NOTICE IS HEREBY GIVEN to the owners of the above-captioned Bonds whose bonds are specified in the table below (the "Refunded 2002 Bonds") of the CITY OF PASADENA, CALIFORNIA (the "City") that the City has deposited with The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "Escrow Agent") for the Refunded 2002 Bonds, cash and/or direct obligations of the United States of America (including obligations held or issued in book-entry form on the books of the Department of the Treasury of the United States of America and CATS and TIGRS) or obligations the timely payment of the principal of and interest on which are fully guaranteed by the United States of America and otherwise satisfying the criteria set forth in Section 9.03 of the Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 1998, by and between the City and The Bank of New York Mellon Trust Company, N.A., as successor fiscal agent, as amended and supplemented (the "Fiscal Agent Agreement") pursuant to which the Refunded 2002 Bonds were issued, the principal of and interest on which when due will provide moneys sufficient to pay when due the interest coming due on the Refunded 2002 Bonds on or prior to June 1, 2012 and to pay on June 1, 2012 the redemption price (i.e., 100% of the principal amount thereof) of the Refunded 2002 Bonds. In accordance with the Fiscal Agent Agreement, the pledge of the Net Income and other assets made under the Fiscal Agent Agreement in respect of the Refunded 2002 Bonds shall cease, terminate and be completely discharged and satisfied, and all payments of interest on, any redemption premium, and principal of the Refunded 2002 Bonds shall be paid only from moneys on deposit with the Escrow Agent and available as aforesaid.

<u>Maturity (June 1)</u>	<u>Principal Amount Outstanding</u>	<u>Principal Amount Defeased</u>	<u>CUSIP Number</u>	<u>Bond Number</u>
2013	\$3,620,000		702248JX4	11
2014	3,765,000		702248JY2	12
2015	3,915,000		702248JZ9	13
2016	4,110,000		702248KA2	14
2017	4,320,000		702248KB0	15
2018	4,535,000		702248KC8	16
2019	4,760,000		702248KD6	17
2020	5,000,000		702248KE4	18
2021	5,260,000		702248KF1	19

*The CUSIP numbers have been assigned by an independent service for convenience of reference and none of the City, the Fiscal Agent or the Escrow Agent shall be held liable for any inaccuracy in any such CUSIP number.*

DATED: \_\_\_\_\_, 2010

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

EXHIBIT C

PROPOSED FORM OF  
CONTINUING DISCLOSURE AGREEMENT

## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”), dated as of July 1, 2010, is executed and delivered by the City of Pasadena (the “Issuer”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Report” means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Audited Financial Statements” means the financial statements (if any) of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a)(i) of this Disclosure Agreement.

“Bonds” means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Representative” means the Director of Finance of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C., acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

“Fiscal Agent” means The Bank of New York Mellon Trust Company, N.A., as successor fiscal agent under that Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 1998, by and between the Issuer and the Fiscal Agent, as amended and supplemented, including as amended and supplemented by the Sixth Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of July 1, 2010, by and between the Issuer and the Fiscal Agent, relating to Bonds.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“Information” means the Annual Financial Information, the Audited Financial Statements (if any) the Notice Event notices, and the Voluntary Reports.

“Notice Event” means an event listed in Sections 4(a) of this Disclosure Agreement.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Marketplace Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” means that Official Statement dated July \_\_\_\_, 2010 prepared by the Issuer in connection with the Bonds, as listed on Appendix A.

“Voluntary Report” means the information provided to the Disclosure Dissemination Agent by the Issuer pursuant to Section 7.

## SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Fiscal Agent, not later than 30 days prior to the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than 185 days after the end of the Issuer’s Fiscal Year (presently June 30), commencing with the report for Fiscal Year 2009-10. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification) no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Notice Event as described in Section 4(a)(12) has occurred and to immediately provide a notice to the MSRB in substantially the form attached as Exhibit B.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 12:00 p.m. on the first business day following the Annual Filing Date for the Annual Report, a Notice Event described in Section 4(a)(12) shall have occurred and the Issuer irrevocably



directs the Disclosure Dissemination Agent to immediately provide a notice to the MSRB in substantially the form attached as Exhibit B.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Fiscal Agent, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) determine the electronic filing address of, and then-current procedures for submitting Annual Reports to, the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly submit each Annual Report received under Section 2(a) to the MSRB;
- (iii) upon receipt, promptly submit each Audited Financial Statement received under Section 2(d) to the MSRB;
- (iv) upon receipt, promptly file the text of each disclosure to be made with the MSRB, together with a completed copy of the Event Notice Cover Sheet in the form attached as Exhibit C, describing the event by checking the box indicated below when filing pursuant to Section 4 of this Disclosure Agreement indicated:
  1. "Principal and interest payment delinquencies," pursuant to Sections 4(c) and 4(a)(1);
  2. "Non-Payment related defaults," pursuant to Sections 4(c) and 4(a)(2);
  3. "Unscheduled draws on debt service reserves reflecting financial difficulties," pursuant to Sections 4(c) and 4(a)(3);
  4. "Unscheduled draws on credit enhancements reflecting financial difficulties," pursuant to Sections 4(c) and 4(a)(4);
  5. "Substitution of credit or liquidity providers, or their failure to perform," pursuant to Sections 4(c) and 4(a)(5);
  6. "Adverse tax opinions or events affecting the tax-exempt status of the security," pursuant to Sections 4(c) and 4(a)(6);
  7. "Modifications to rights of securities holders," pursuant to Sections 4(c) and 4(a)(7);
  8. "Bond calls," pursuant to Sections 4(c) and 4(a)(8);
  9. "Defeasances," pursuant to Sections 4(c) and 4(a)(9);
  10. "Release, substitution, or sale of property securing repayment of the securities," pursuant to Sections 4(c) and 4(a)(10);
  11. "Ratings changes," pursuant to Sections 4(c) and 4(a)(11);

12. "Failure to provide annual financial information as required," pursuant to Section 2(b)(ii) or Section 2(c), together with a completed copy of Exhibit B to this Disclosure Agreement.

(v) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its Fiscal Year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, the Fiscal Agent and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

### SECTION 3. Content of Annual Reports.

(a) The Issuer's Annual Report shall contain or include by reference the following:

(i) The Issuer's annual Comprehensive Annual Financial Report (the "CAFR") which shall include the audited financial statements of the Issuer's Light and Power Fund for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 2(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available;

(ii) Pasadena Water and Power's most recently published Annual Report, not previously filed with the MSRB;

(iii) Updated information comparable to the information in the following tables as they appear in the Official Statement relating to the Bonds:

- (a) Table 3 entitled "TOTAL POWER GENERATED AND PURCHASED: PEAK DEMAND (MWh);"
- (b) Table 4 entitled "POWER SUPPLY RESOURCES;"
- (c) Table 7 entitled "CUSTOMERS, ENERGY SALES AND REVENUES;"
- (d) Table 9 entitled "OUTSTANDING DEBT OF JOINT ACTION AGENCIES;"  
and
- (e) Table 10 entitled "HISTORICAL OPERATING RESULTS AND DEBT SERVICE COVERAGE;"

(b) Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an "obligated person" (as defined by the Rule), which have been previously filed with the MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

#### SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events, if material, with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements relating to the Bonds reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
7. Modifications to rights of Bond holders;
8. Bond calls;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds;
11. Rating changes on the Bonds; and
12. Failure to provide annual financial information as required.

The Issuer shall promptly notify the Disclosure Dissemination Agent in writing upon the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c). Such notice shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information.

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within five business days of receipt of such notice, instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c), together with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information.

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with the MSRB in accordance with Section 2(e)(iv) hereof. The notice of the occurrence of a Notice Event must be submitted in electronic format, accompanied by such identifying information as prescribed by the MSRB.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, notices of Notice Events, and Voluntary Reports filed pursuant to Section 7(a), the Issuer shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the failure of the Disclosure Dissemination Agent to so advise the Issuer shall not constitute a breach by the Disclosure Dissemination Agent of any of its duties and responsibilities under this Disclosure Agreement. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Reports.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file information with the MSRB, from time to time pursuant to a Certification of the Disclosure Representative accompanying such information (a "Voluntary Report").

(b) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent and the Fiscal Agent, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders'

rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and neither of them shall incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall,

within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Fiscal Agent of the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of California (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

*[Remainder of page intentionally left blank.]*

The Disclosure Dissemination Agent and the Issuer have caused this Continuing Disclosure Agreement to be executed, as of the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,  
as Disclosure Dissemination Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CITY OF PASADENA, CALIFORNIA,  
as Issuer

By: \_\_\_\_\_  
Andrew Green  
Director of Finance

**EXHIBIT A**

**NAME AND CUSIP NUMBERS OF BONDS**

Name of Issuer City of Pasadena, California  
Obligated Person(s) City of Pasadena, California  
Name of Bond Issue: \$ \_\_\_\_\_ Electric Revenue Refunding Bonds, 2010A Series  
Date of Issuance: \_\_\_\_\_, 2010  
Date of Official Statement: \_\_\_\_\_, 2010

CUSIP Number:	702248 _____	CUSIP Number:	702248 _____
CUSIP Number:	702248 _____	CUSIP Number:	702248 _____
CUSIP Number:	702248 _____	CUSIP Number:	702248 _____
CUSIP Number:	702248 _____	CUSIP Number:	702248 _____
CUSIP Number:	702248 _____	CUSIP Number:	702248 _____
CUSIP Number:	702248 _____	CUSIP Number:	702248 _____
CUSIP Number:	702248 _____	CUSIP Number:	702248 _____



**EXHIBIT B**

**NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT**

Issuer: City of Pasadena, California  
Obligated Person: City of Pasadena, California  
Name of Bond Issue: \$ \_\_\_\_\_ Electric Revenue Refunding Bonds, 2010A Series  
Date of Issuance: \_\_\_\_\_, 2010

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement, dated as of July 1, 2010, between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

DIGITAL ASSURANCE CERTIFICATION,  
L.L.C., on behalf of the City of Pasadena,  
California

By: \_\_\_\_\_

cc: Director of Finance, City of Pasadena

**EXHIBIT C  
EVENT NOTICE COVER SHEET**

This cover sheet and material event notice will be sent to the MSRB pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name: \_\_\_\_\_

Issuer's Six-Digit CUSIP Number: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

or Nine-Digit CUSIP Number(s) of the bonds to which this material event notice relates:

Number of pages of attached: \_\_\_\_\_

\_\_\_\_\_ Description of Material Event Notice (Check One):

1.  Principal and interest payment delinquencies
2.  Non-Payment related defaults
3.  Unscheduled draws on debt service reserves reflecting financial difficulties
4.  Unscheduled draws on credit enhancements reflecting financial difficulties
5.  Substitution of credit or liquidity providers, or their failure to perform
6.  Adverse tax opinions or events affecting the tax-exempt status of the security
7.  Modifications to rights of securities holders
8.  Bond calls
9.  Defeasances
10.  Release, substitution, or sale of property securing repayment of the securities
11.  Rating changes
12.  Other material event notice (specify) \_\_\_\_\_

\_\_\_\_\_ Failure to provide annual financial information as required

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Employer: Digital Assurance Certification, L.L.C.

Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

Voice Telephone Number: \_\_\_\_\_