

Exhibit A

Notice of Intention to Sell Bonds

NOTICE OF INTENTION TO SELL BONDS

NOT TO EXCEED \$ _____*
CITY OF PASADENA, CALIFORNIA
WATER REVENUE REFUNDING BONDS, 2011A SERIES

NOTICE IS HEREBY GIVEN that the City of Pasadena (the “City”) intends to receive electronically transmitted bids for the above-captioned bonds (the “Bonds”) until

9:00 a.m., Pacific time on December 12, 2011

through the use of an electronic bidding service offered by Ipreo LLC and the Parity® bid delivery system, for the purchase of all of the Bonds, such Bonds to be dated as of the date of delivery thereof, and maturing on such dates as described in the Notice Inviting Bids (the “Notice”). Bids for less than all of the Bonds will not be accepted. The City reserves the right to postpone the time or date established for the receipt of bids and/or to modify or amend the Notice as more fully described in the Notice.

NOTICE IS HEREBY FURTHER GIVEN that electronic copies of the Notice and the Preliminary Official Statement issued in connection with the sale of the Bonds, may be obtained from the City’s financial advisor, Public Resources Advisory Group, 11500 West Olympic Boulevard, Suite 502, Los Angeles, California 90064, Attention: Edmund Soong (telephone (310) 477-8487; fax (310) 477-0105), or can be obtained online at <http://www.imagemaster.com/>.

Date: _____, 2011

Director of Finance
City of Pasadena

* Preliminary amount to be as set forth in the Notice Inviting Bids, subject to adjustment as provided therein.

Exhibit B
Notice Inviting Bids

NOTICE INVITING BIDS

**CITY OF PASADENA, CALIFORNIA
WATER REVENUE REFUNDING BONDS, 2011A SERIES**

NOTICE IS HEREBY GIVEN that electronically transmitted bids will be received by the City of Pasadena, California (the “City”), through the use of an electronic bidding service offered by Ipreo LLC and the Parity® bid delivery system (“Parity”) at <https://www.newissuehome.i-deal.com>, on

**December 12, 2011
at 9:00 A.M. Pacific time,**

for the purchase of \$_____ (approximate) aggregate principal amount of City of Pasadena, California Water Revenue Refunding Bonds, 2011A Series (the “2011A Bonds”), more particularly described herein. See “TERMS OF SALE—Form of Bid and Surety Bond—Warnings Regarding Electronic Bids” herein.

Interest on the 2011A Bonds is excluded pursuant to section 103(a) of the Internal Revenue Code of 1986 from the gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, as more fully described in the Preliminary Official Statement (as hereinafter defined).

The City reserves the right to cancel or reschedule the sale of the 2011A Bonds or change the terms thereof upon notice given through Thomson Municipal News prior to the time bids are to be received. If the sale is rescheduled, bids will be received at the place set forth above, at such date and time as the City shall determine. Notice of the new sale date, time and terms, if any, will be given through Thomson Municipal News as soon as practicable prior to the new time bids are to be received.

BIDDERS ARE DIRECTED TO REVIEW THE PROVISIONS OF THE SECTION ENTITLED “TERMS OF SALE – Reoffering Price” IN THIS NOTICE INVITING BIDS IN CONNECTION WITH SUBMITTING A BID. If the successful bidder fails to provide the reoffering price certificate described therein, the Good Faith Deposit (as defined herein) will be retained by the City.

TERMS OF THE 2011A BONDS

Important Note. This Notice Inviting Bids will be submitted to Ipreo LLC for posting at <https://www.newissuehome.i-deal.com> and in the Parity® bid delivery system. In the event the Parity system’s summary of the terms of sale of the 2011A Bonds disagrees with this Notice Inviting Bids in any particulars, the terms of this Notice Inviting Bids shall control (unless notice of an amendment hereto is given as described above).

Opening of Bids and Award of 2011A Bonds

The bids will be received at the above time and place, will be opened by the Director of Finance or his designee, and the 2011A Bonds are expected to be awarded by the City at the City Council meeting later that day.

The Issue

The 2011A Bonds are being issued by the City for the purpose of providing moneys (i) to refund a portion of the City's outstanding Water Revenue and Refunding Bonds, 2003 Series; and (ii) to pay the costs of issuance of the 2011A Bonds.

Authority For Issuance

The 2011A Bonds are authorized and issued pursuant to Article XIV of the City Charter, an Ordinance adopted by the City Council of the City on November 8, 2010 (the "Ordinance"), and a Water Revenue Bond Indenture, dated as of August 1, 2003 (the "Master Indenture"), by and between the City and The Bank of New York Mellon Trust Company, N.A. (formerly known as BNY Western Trust Company), as trustee (the "Trustee"), as supplemented by a Fourth Supplement to Water Revenue Bond Indenture, dated as of December 1, 2011, to be executed simultaneously with the delivery of the 2011A Bonds (collectively, the "Indenture"). The 2011A Bonds will be issued on a parity with other obligations of the Water System payable from Pledged Revenues and issued from time to time pursuant to the terms of the Indenture ("Parity Debt"), including its Water Revenue and Refunding Bonds, 2003 Series, to remain outstanding in the principal amount of \$ _____* upon the issuance of the 2011A Bonds and a defeasance of a portion thereof (the "2003 Bonds"), its Water Revenue Bonds, 2007 Series, currently outstanding in the principal amount of \$19,875,000 (the "2007 Bonds"), its Water Revenue Bonds, Issue of 2010, 2010A Series (Taxable Build America Bonds – Direct Payment), currently outstanding in the principal amount of \$25,425,000 (the "2010A Bonds") and its Water Revenue Bonds, Issue of 2010, 2010B Series (Tax-Exempt), currently outstanding in the principal amount of \$4,575,000 (the "2010B Bonds," and together with the 2010A Bonds, the "2010 Bonds"). The 2003 Bonds, the 2007 Bonds, the 2010 Bonds, the 2011A Bonds and all other Water Revenue Bonds to be issued pursuant to the Indenture are herein referred to collectively as the "Bonds."

Bidders are referred to the Indenture and the Preliminary Official Statement, dated _____, 2011, relating to the 2011A Bonds (the "Preliminary Official Statement"), for definitions of terms and for further particulars, including further information regarding the 2011A Bonds. This Notice Inviting Bids contains certain information for general reference only, is not a summary of the issue and governs only the terms of the sale of, bidding for and closing procedures with respect to the 2011A Bonds. Bidders must read the entire Preliminary Official Statement to obtain information essential to the making of an informed investment decision.

* Preliminary; subject to change.

Security; Limited Obligations

The 2011A Bonds will be an obligation solely payable from the Water Fund of the City and certain other funds as provided in the Indenture. The 2011A Bonds are to be secured by a pledge of and lien upon Pledged Revenues of the Water System on a parity with other Bonds and Parity Debt.

The City has covenanted in the Indenture to fix the charges for the services, facilities and water furnished by the Water System so as to provide Gross Aggregate Revenues at least sufficient to pay, as the same become due, the principal of and interest on the Bonds and any other Parity Debt, all payments required for compliance with the Indenture, including payments required to be made into any Parity Reserve Fund, all payments required to be made with respect to any Subordinate Debt, all Operation and Maintenance Expenses and all payments required to meet any other obligations of the City which are charges, liens, encumbrances upon or payable from the Gross Aggregate Revenues or any portion thereof and the charges shall be fixed so that in each Fiscal Year the Gross Aggregate Revenues less Operation and Maintenance Expenses will be at least equal to 1.10 times the amount necessary to pay principal and interest as the same become due on all Bonds and any other Parity Debt.

“Pledged Revenues” means all Gross CIC Revenues and all Net Other Water Revenues. “Gross CIC Revenues” means all CIC Revenues, all amounts deposited in the CIC Account and all interest earnings or income thereon or therefrom. “CIC Revenues” means all capital improvement charges collected and received pursuant to Chapter 13.20.035 of Title 13 of the Pasadena Municipal Code and interest earned thereon. “Net Other Water Revenues” means all Other Water Revenues, all amounts deposited in the Water Fund and all interest earnings or income thereon or therefrom, less all Operation and Maintenance Expenses. “Other Water Revenues” means all the revenues from rates, fees and charges for providing water service to persons and real property and all other fees, rents and charges and other revenues derived by the City from the ownership, operation, use or service of the Water System, including contributions in aid of construction, but not including the CIC Revenues.

The general fund of the City is not liable for the payment of any 2011A Bonds, any premium thereon upon redemption prior to maturity or their interest, nor is the credit or taxing power of the City pledged for the payment of any 2011A Bonds, any premium thereon upon redemption prior to maturity or their interest. The Owner of any 2011A Bond shall not compel the exercise of the taxing power by the City or the forfeiture of any of its property. The principal of and interest on any 2011A Bonds and any premiums upon the redemption of any thereof prior to maturity are not a debt of the City nor a legal or equitable pledge, charge, lien or encumbrance upon any of its property or upon any of its income, receipts or revenues, except the Pledged Revenues and other funds, security or assets which are pledged to the payment of the 2011A Bonds, interest thereon and any premiums upon redemption.

Parity Reserve Fund

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

“Reserve Fund Requirement” means, as of any date of determination and excluding any Parity Debt for which no reserve fund is to be maintained or for which a separate reserve fund is to be maintained, the least of (a) ten percent (10%) of the initial offering price to the public of each Series of Bonds and any Parity Debt to be secured by the Parity Reserve Fund as determined under the Code, or (b) the Maximum Annual Debt Service on all Bonds and Parity Debt to be secured by the Parity Reserve Fund, or (c) one hundred twenty-five percent (125%) of the Average Annual Debt Service on all Bonds and Parity Debt to be secured by the Parity Reserve Fund, all as computed and determined by the City and specified in writing to the Trustee.

Amounts in the Parity Reserve Fund shall be transferred by the City to the applicable debt service fund to pay principal of and interest on the Bonds and other Parity Debt secured by the Parity Reserve Fund in the event amounts on deposit therein are insufficient for such purposes.

Book-Entry Only

The 2011A Bonds will be issued as fully registered bonds and, when issued will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as security depository for the 2011A Bonds. Individual purchases of the 2011A Bonds will be made in book-entry form only, in denominations of \$5,000 principal amount or any integral multiple thereof. Payments of principal of, interest and premium, if any, on the 2011A Bonds will be paid by the Trustee to DTC, which is obligated in turn to remit such principal, premium, if any, and interest to its DTC Participants for subsequent disbursement to the beneficial owners of the 2011A Bonds.

Interest Payment Dates

The 2011A Bonds will be as of the date of delivery and interest will be payable semiannually on each June 1 and December 1, commencing June 1, 2012, to holders of record on the preceding May 15 and November 15, respectively, until maturity or redemption.

Principal Amortization

The 2011A Bonds shall be subject to principal amortization on June 1 in the following years and amounts described in the following table, subject to the adjustments described below:

<u>Maturity</u> <u>(June 1)</u>	<u>Principal Amount*</u>	<u>Maturity</u> <u>(June 1)</u>	<u>Principal Amount*</u>
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* Preliminary; subject to adjustment as described below.

Adjustment of Principal Amounts and Amortization Schedule

The principal amounts set forth in this Notice Inviting Bids reflect certain estimates of the City and its Financial Advisor with respect to the likely interest rates of the winning bid and the premium, if any, contained in the winning bid. The principal amortization schedule may be changed prior to the time bids are to be received and, if adjustments are made, bidders must bid on the basis of the adjusted schedules. Such changes, if any, will be communicated through Thomson Municipal News not later than 12:00 p.m., Pacific time, on the business day prior to the bid opening. After selecting the winning bid, the principal amount of the 2011A Bonds and amortization schedule may be adjusted in \$5,000 increments as necessary in the determination of the Financial Advisor to reflect the actual interest rates and any premium in the winning bid and to achieve the City's debt structuring objectives. Such adjustments after the selection of the winning bid will not change the principal amount due on the 2011A Bonds in any year by more than the greater of [\$275,000] or ten percent (10%). Any such adjustment will be communicated to the winning bidder within 24 hours after acceptance of the bids. Changes in the amortization schedule made subsequent to bid opening as described above will not affect the determination of the winning bidder or give the winning bidder any right to reject the 2011A Bonds. The winning bidder may not withdraw its bid or change the interest rates bid as a result of any changes to the principal payments of the 2011A Bonds in accordance with this Notice Inviting Bids; further, the dollar amount of the price bid will be changed so that the percentage of net compensation paid to the winning bidder will not increase or decrease from what it would have been if no adjustments had been made by the City.

Serial Bonds and/or Term Bonds

Bidders may provide that the 2011A Bonds be issued as serial bonds or may provide that any two or more consecutive annual principal amounts be combined into one or more term bonds.

Mandatory Sinking Fund Redemption

If the successful bidder designates principal amounts to be combined into one or more term bonds, each such term bond shall be subject to mandatory sinking fund redemption commencing on June 1 of the first year which has been combined to form such term bond and continuing on June 1 in each year thereafter until the stated maturity date of that term bond. The amount redeemed in any year shall be equal to the principal amount for such year set forth in the table above under the caption "Principal Amortization", as adjusted in accordance with the provisions described above under the caption "Adjustment of Principal Amounts and Amortization Schedule". The 2011A Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed in part at par and shall be selected by lot from among the 2011A Bonds then subject to redemption. The City, at its option, may credit against any mandatory sinking fund redemption requirement term bonds of the maturity then subject to redemption which have been purchased and cancelled by the City or have been redeemed and not theretofore applied as a credit against any mandatory sinking fund redemption requirement.

Optional Redemption

The 2011A Bonds maturing on or before June 1, 20__ are not subject to call or redemption prior to maturity. The 2011A Bonds maturing on or after June 1, 20__ are subject to redemption prior to their respective stated maturities, at the option of the City, from any source of available funds, as a whole or in part on any date on or after _____ 1, 20__, at a Redemption Price equal to the principal amount of the 2011A Bonds called for redemption together with accrued interest thereon to the date of redemption, without premium.

Notice of Redemption

Notice of redemption of any 2011A Bonds shall be mailed to the Owners of the 2011A Bonds, certain securities depositories and one or more information services. Notice of such redemption shall be given to the Owners of the 2011A Bonds designated for redemption at their addresses appearing on the bond registration books, not less than 30 days nor more than 60 days prior to the redemption date. The actual receipt of such notice by the Owner of any 2011A Bond to be redeemed shall not be a condition precedent to the redemption, and failure of any Owner to receive such notice shall not affect the validity of the proceedings for the redemption of 2011A Bonds or the cessation of interest on the redemption date. If by the date of mailing of notice of any optional redemption the City shall not have deposited with the Trustee moneys sufficient to redeem all the 2011A Bonds called for redemption, then such notice shall 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.

Selection of 2011A Bonds for Redemption

If less than all of the 2011A Bonds are to be redeemed, the maturities of the 2011A Bonds to be redeemed shall be specified by the City. In the case of partial redemption of less than all of the 2011A Bonds of any maturity, the Trustee shall select the particular 2011A Bonds to be redeemed, from all 2011A Bonds of the respective maturity not previously called for redemption, in authorized denominations, by lot in any manner which the Trustee in its sole discretion shall deem appropriate.

Trustee

The Bank of New York Mellon Trust Company, N.A., Los Angeles, California is the Trustee for the payment of principal of, premium, if any, and interest on, the 2011A Bonds and for the registration of the 2011A Bonds.

Legal Opinion

The City will furnish to the successful bidder at the closing of the 2011A Bonds, the legal opinion of Bond Counsel, Fulbright & Jaworski L.L.P., that under existing law, interest on the 2011A Bonds is exempt from personal income taxes of the State of California and that based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2011A Bonds is excluded from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986 and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel will express no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the 2011A Bonds.

Continuing Disclosure

In order to assist bidders in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), the City will undertake, pursuant to a Continuing Disclosure Agreement, to provide certain annual financial information and notices of the occurrence of certain events. A form of the Continuing Disclosure Agreement is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement. The City has not failed to comply in all material respects with any previous undertakings with regard to said Rule to provide annual reports or notices of material events in the past five years.

TERMS OF SALE

Interest Rates and Limits on Purchase Price

No bid for other than all of the 2011A Bonds will be considered. Each proposal for the 2011A Bonds must specify the amount bid for such 2011A Bonds not less than the par value of the aggregate principal amount of the 2011A Bonds. Bidders must specify a rate of interest for each maturity of the 2011A Bonds. All 2011A Bonds of the same maturity must bear the same rate of interest. Aggregate underwriter's compensation cannot exceed 1% of the principal amount of the 2011A Bonds.

The rates of interest must be expressed in multiples of one-eighth (1/8) or one-twentieth (1/20) of one percent (1%), and the true interest cost to the City shall not exceed _____ percent (____%) per annum (calculated based upon the reoffering yields provided by the bidder for each maturity and an allocation of the underwriter's compensation proportional to each maturity's principal amount). **Premium and/or discount coupons are permitted for the 2011A Bonds. However, the reoffering price for each maturity of the 2011A Bonds shall not be less than 98% of the principal amount of such maturity.**

No bid will be accepted that contemplates the waiver of any interest or other concession by the bidder as substitute for payment in full of the purchase price. Bids that do not conform to the terms of this section may be rejected.

Award

If satisfactory bids are received, the 2011A Bonds will be awarded to the highest responsible bidder. The highest bid will be that which results in the lowest True Interest Cost. The True Interest Cost shall be computed by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments from their respective payment dates to the date of the 2011A Bonds and to the price bid. For the purpose of calculating the True Interest Cost, the principal amount of 2011A Bonds established for mandatory sinking fund redemption as part of a term bond shall be treated as a serial maturity in each year. In the event that two or more bidders have bid the same True Interest Cost, the award shall be made by random selection.

Right of Rejection

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

Equal Opportunity

It is the policy of the City that disadvantaged business enterprises ("DBE") and all other business enterprises have an equal opportunity to participate in the performance of the City contracts. Bidders are required to make a good faith effort to reach out to the DBEs to ensure they have equal opportunity to compete for the purchase of the 2011A Bonds.

Form of Bid and Surety Bond

Bidders must purchase the 2011A Bonds at a price equal to the principal amount thereof plus a premium, if any. Each bid must be delivered by electronic transmission, as described below, and received by 9:00 a.m., Pacific time, December 12, 2011. Each bid must be in accordance with the terms and conditions set forth in this Notice Inviting Bids.

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

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

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

Good Faith Deposit

Each bidder must provide prior to the time the bids are examined a deposit in the amount of \$ _____ (the "Good Faith Deposit") in the form of (i) a financial surety bond ("Surety Bond") issued by an insurance company rated in one of the top two rating categories by Moody's Investors Service, Fitch Ratings or Standard & Poor's Ratings Services, without regard to any modification of the rating and licensed to issue such a bond in the State of California, naming the City as the beneficiary and identifying the bidder whose deposit is guaranteed by the Surety Bond, or (ii) a wire transfer of immediately available federal funds.

Surety Bonds. Any Surety Bond may be submitted by facsimile transmission to 626-440-7036 or electronic mail to verganian@cityofpasadena.net, stthomas@cityofpasadena.net and tadedeji@cityofpasadena.net prior to the deadline for the examination of the bids. If the successful bidder has provided a Surety Bond, such bidder shall wire transfer to the City the amount of the Good Faith Deposit in immediately available federal funds not later than 12:00 noon (Pacific Time) on the business day next succeeding the day of acceptance of the proposal, which amount shall be deposited in a fund held by the City and applied to the purchase price of the 2011A Bonds. If the City has not received such federal funds wire transfer by the time stated, the City may draw upon the Surety Bond to satisfy the successful bidder's deposit requirements.

Wire Transfers. Any Good Faith Deposit wire transfers must be received in federal funds prior to the deadline for the examination of the bids, and should be directed as follows:

ABA#: 026009593
Bank of America
333 S. Hope Street
Los Angeles, CA 90071
Bank Account #: 0443280200
Bank Account Name: City of Pasadena

Each bidder submitting the Good Faith Deposit by wire transfer must also (i) send an email to the attention of verganian@cityofpasadena.net, stthomas@cityofpasadena.net and tadedejj@cityofpasadena.net and to the attention of patty.ramirez@baml.com and dedicatdvwgov@bankofamerica.com providing the name of the bidder entity and contact person and notifying the City of the delivery of such wire transfer and referencing "Water 2011A Series Good Faith Wire Transfer"; (ii) include with such e-mail notification wiring and/or mailing instructions for the return of the wire transfer should the bidder be unsuccessful and (iii) obtain a confirmation from one of the foregoing persons of the receipt of such Good Faith Deposit and instructions. The wire transfers of unsuccessful bidders will be returned promptly after the examination of bids. The wire transfer of the successful bidder will be retained by the City and applied to the purchase price of the 2011A Bonds when the 2011A Bonds are delivered. The City disclaims any liability for funds sent by wire transfer, except for any willful misconduct or reckless disregard for its duties.

Liquidated Damages; No Interest. No interest will be paid upon the Good Faith Deposit made by any bidder. The Good Faith Deposit of the successful bidder will, immediately upon acceptance of its bid, become the property of the City to be held and invested for the exclusive benefit of the City. The principal amount of such Good Faith Deposit shall be applied to the purchase price of the 2011A Bonds at the time of delivery thereof.

If the purchase price is not paid in full upon delivery of the 2011A Bonds, the successful bidder shall have no right in or to the 2011A Bonds or to the recovery of its Good Faith Deposit, or to any allowance or credit by reason of such Good Faith Deposit, unless it shall appear that the 2011A Bonds would not be validly issued if delivered to the successful bidder in the form and manner proposed. In the event of nonpayment by the successful bidder, the amount of the Good Faith Deposit shall be retained by the City. Notwithstanding the foregoing, should the successful bidder fail to pay for the 2011A Bonds at the price and on the date agreed upon, the City retains the right to seek further compensation for damages sustained as a result of the successful bidder so doing.

Estimate of True Interest Cost

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

Prompt Award

The City, acting through its Director of Finance, will conditionally award the 2011A Bonds or reject all bids not later than 24 hours after the expiration of the time herein prescribed for the receipt of proposals, unless such time of award is waived by the successful bidder. Notice of the conditional award will be given promptly to the successful bidder. The City will endeavor to obtain City Council confirmation and ratification of the award within such 24 hour period, but such confirmation and ratification, which is a condition of closing, may occur at any time prior to delivery of the 2011A Bonds.

Reoffering Price

The successful bidder will, within 30 minutes after being notified of the conditional award of the 2011A Bonds, advise the City of the initial public offering prices of the 2011A Bonds. The successful bidder will also be required, prior to delivery of the 2011A Bonds, to furnish to the City a certificate acceptable to Bond Counsel (the "Bidder's Certificate"), which states with respect to each maturity of the 2011A Bonds that either (i) such successful bidder has purchased the applicable maturity of the 2011A Bonds for its own account and not with a view to distribution or resale and not in the capacity of a bond house, broker or other intermediary and the price at which such purchase was made, or (ii) (1) such successful bidder has made a bona fide offering to the public of each applicable maturity of the 2011A Bonds at the prices or yields indicated in the information supplied on the date of the conditional award, and (2) the first price or yield at which an amount equal to at least 10% of each such maturity of the 2011A Bonds was sold to the public was, respectively, a price not higher or a yield not lower than indicated on the date of the conditional award, with the exception of those maturities, if any, identified in such Bidder's Certificate, as to which such certificate shall explain the reasons why at least 10% of each maturity was not sold to the public at the price indicated for each such maturity on the date of the award. For the purposes of the information submitted on the date of the conditional award and the Bidder's Certificate, the "public" does not include bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers. In making such representations, the successful bidder must reflect the anticipated existence, if any, of a "derivative product" (e.g., a tender option) offered or to be offered by the bidder or its affiliate in connection with the initial sale of any of the 2011A Bonds. The successful bidder may also be asked by Bond Counsel to clarify any discrepancies between the Bidder's Certificate and publicly available information relating to trades of the 2011A Bonds and to explain the failure to sell at least 10% of each maturity to the public at the prices indicated on the date of the conditional award.

California Debt and Investment Advisory Commission

The successful bidder will be required to pay any fees due to the California Debt and Investment Advisory Commission ("CDIAC") under California law. CDIAC will invoice the successful bidder after the delivery of the 2011A Bonds.

CUSIP Numbers and Other Fees

It is anticipated that CUSIP numbers will be printed on the 2011A Bonds, but neither the failure to print such numbers on any 2011A Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for said 2011A Bonds in accordance herewith. The successful bidder will be responsible for obtaining CUSIP numbers. All charges of the CUSIP Service Bureau for the assignment of CUSIP numbers for the 2011A Bonds shall be paid by the successful bidder. The successful bidder shall also be required to pay all fees required by DTC, the Securities Industry and Financial Markets Association, the Municipal Securities Rulemaking Board and any other similar entity imposing a fee in connection with the issuance and delivery of the 2011A Bonds.

No Litigation

There is no litigation pending concerning the validity of the 2011A Bonds, the corporate existence of the City, or the title of the officers thereof to their respective offices, and the City will furnish to the successful bidder a no-litigation certificate certifying to the foregoing as of and at the time of the delivery of the 2011A Bonds.

Official Statement

The City has approved a Preliminary Official Statement dated _____, 2011, which the City has "deemed final" for purposes of Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission although subject to revision, amendment and completion in a final Official Statement in conformity with such Rule. The City will furnish to the successful bidder, at no expense to the successful bidder, within seven (7) business days of the award date, the Official Statement, in electronic format and up to 50 copies thereof.

Certificate Regarding Official Statement

The City will provide to the successful bidder of the 2011A Bonds a certificate, signed by a responsible officer, confirming to the successful bidder that, at the time of the acceptance of its bid for the 2011A Bonds and at the time of delivery thereof, the Preliminary Official Statement and the final Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

Delivery and Payment

Delivery of the 2011A Bonds is expected to occur on or about _____, 2011. The 2011A Bonds will be delivered in New York, New York (by Fast Automated Securities Transfer) to DTC. The successful bidder shall pay for the 2011A Bonds on the date of delivery in Federal Reserve Bank funds or equivalent immediately available funds. Payment on the delivery date shall be made in an amount equal to the price bid for the 2011A Bonds less the amount of the Good Faith Deposit. Any expense of providing immediately available funds, whether by transfer of Federal Reserve Bank funds or otherwise, shall be borne by the successful bidder.

Tax-Exempt Status

In the event that prior to the delivery of the 2011A Bonds (a) the interest received by any private holder from bonds of the same type and character as the 2011A Bonds shall be declared to be taxable (either at the time of such declaration or at any future date) under any federal income tax laws, either by the terms of such law or by ruling of a federal income tax authority or official which is followed by the Internal Revenue Service, or by decision of any federal court, or (b) any federal income tax law is enacted that would have a substantial adverse tax effect on holders of the 2011A Bonds as such, the successful bidder may, at its option, prior to the issuance and delivery of the 2011A Bonds by the City, be relieved of its obligation to purchase the 2011A Bonds and in such case the proceeds of the Good Faith Deposit accompanying its bid will be returned.

Right of Cancellation by City

The City reserves the right at any time prior to and including the day of the bid opening, to cancel the public sale of the 2011A Bonds. In such event, the City shall cause notice of the cancellation of this invitation for bids and the public sale of the 2011A Bonds to be communicated through Thomson Municipal News as promptly as practicable. However, no failure to publish such notice, failure of any prospective bidder to receive such notice or any defect or omission therein shall affect the cancellation of the public sale of the 2011A Bonds.

Right of Cancellation by Bidder

The successful bidder shall have the right, at its option, to cancel its obligation to purchase the 2011A Bonds if the City shall fail to execute the 2011A Bonds and tender the same for delivery within 60 days from the date of award thereof, and in such event the successful bidder shall be entitled to the return of the Good Faith Deposit accompanying its proposal.

Right to Modify or Amend

The City reserves the right to modify or amend this Notice Inviting Bids in any respect including, without limitation, the right to adjust and change the principal amortization schedule of the 2011A Bonds being offered prior to the time bids are to be received. Such notifications or amendments shall be communicated through Thomson Municipal News.

Additional Information

Copies of the Ordinance, the Indenture and the Preliminary Official Statement will be furnished to any potential bidder upon request made to the City’s Financial Advisor, Public Resources Advisory Group, 11500 W. Olympic Boulevard, Suite 502, Los Angeles, California 90064, Attention: Edmund Soong (telephone (310) 477-8487, fax (310) 477-0105).

Date: _____, 2011

/s/ Andrew Green
Director of Finance
City of Pasadena