

Variable Rate Bond to the Trustee for cancellation. Upon such transfer, a new Variable Rate Bond or Bonds in authorized denominations of the same aggregate principal amount will be issued to the transferee at the same office. No transfer will be effective unless represented by such surrender and reissue. This Variable Rate Bond may also be exchanged at the office of the Trustee for a new Variable Rate Bond or Bonds in authorized denominations of the same aggregate principal amount without transfer to a new registered owner. Exchanges and transfers will be without expense to the registered owner except for applicable taxes or other governmental charges, if any. The Trustee will not be required to make an exchange or transfer of this Variable Rate Bond (except in connection with any optional or mandatory tender of this Variable Rate Bond) (i) if this Variable Rate Bond (or any portion thereof) has been selected for redemption or (ii) during the fifteen (15) days preceding any date fixed for selection for redemption if this Variable Rate Bond (or any portion thereof) is eligible to be selected for redemption.

The Bonds are issuable only in fully registered form and while in a Flexible Rate Mode shall be in denominations of one hundred thousand dollars (\$100,000) or any integral multiple of one thousand dollars (\$1,000) in excess thereof.

The City, the Trustee and the Paying Agent may treat the registered owner specified above as the absolute owner of this Variable Rate Bond for all purposes, notwithstanding any notice to the contrary.

This Variable Rate Bond shall not be entitled to any benefit, protection or security under the Trust Agreement or become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been executed and dated by an authorized signatory of the Trustee.

It is hereby certified that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of this Variable Rate Bond do exist, have happened and have been performed in due time, form and manner as required by law and that the amount of this Variable Rate Bond, together with all other indebtedness of the City, does not exceed any limit prescribed by the Constitution or laws of the State of California and is not in excess of the amount of Variable Rate Bonds permitted to be issued under the Trust Agreement.

IN WITNESS WHEREOF, the City of Pasadena has caused this Variable Rate Bond to be executed in its name and on its behalf by the signature of the _____ of the City and countersigned by the signature of the City Clerk who has impressed the seal of the City hereon, and has caused this Variable Rate Bond to be dated as of the date of this Bond specified above.

CITY OF PASADENA

By _____
Authorized Officer

[SEAL]

Countersigned:

City Clerk

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of 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.

[FORM OF CERTIFICATE OF AUTHENTICATION]

This is one of the Bonds described in the within-mentioned Trust Agreement which has been authenticated on _____.

as Trustee

By _____
Authorized Signatory

[FORM OF ASSIGNMENT]

For value received the undersigned hereby sells, assigns and transfers unto _____ (Taxpayer Identification Number: _____) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within 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 must be guaranteed by an eligible guarantor institution.

2. Form of Weekly Rate Mode Bonds

ANY BONDHOLDER WHO FAILS TO DELIVER THIS BOND FOR PURCHASE AT THE TIME AND AT THE PLACE REQUIRED HEREIN SHALL HAVE NO OTHER RIGHTS HEREUNDER EXCEPT THE RIGHT TO RECEIVE THE PURCHASE PRICE HEREOF UPON PRESENTATION AND SURRENDER OF THIS BOND TO THE PAYING AGENT AS DESCRIBED HEREIN, AND SUCH BONDHOLDER SHALL HOLD THIS BOND AS AGENT FOR THE PAYING AGENT.

CITY OF PASADENA
TAXABLE PENSION FUNDING BOND
SERIES B (VARIABLE RATE) BOND
(WEEKLY RATE MODE)

No. R _____ \$ _____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

INTEREST PAYMENT DATES: On (i) the first Business Day of each calendar month, and
(ii) the Maturity Date.

MATURITY DATE: _____

DATE OF THIS BOND:
(Date as of which Bonds of this
Series were initially issued)

CUSIP:

MODE: WEEKLY

THE OBLIGATIONS OF THE CITY HEREUNDER, INCLUDING THE OBLIGATION TO MAKE ALL PAYMENTS HEREUNDER WHEN DUE, ARE OBLIGATIONS OF THE CITY IMPOSED BY LAW AND ARE ABSOLUTE AND UNCONDITIONAL, WITHOUT ANY RIGHT OF SET-OFF OR COUNTERCLAIM. THIS BOND DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION, AND NEITHER THE BONDS NOR THE OBLIGATION OF THE CITY TO MAKE PAYMENTS ON THE BONDS CONSTITUTE AN INDEBTEDNESS OF THE CITY, THE STATE OF CALIFORNIA, OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

The City of Pasadena, a political subdivision duly organized and existing under the Constitution and the laws of the State of California and its Charter (the "City"), for value received hereby promises to pay in lawful money of the United States of America to the registered owner specified above, or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter provided for) the principal amount specified above, together with interest on such principal amount from the most recent Interest Payment Date specified above (the "Interest Payment Dates") to which interest has been paid or duly provided for or, if no interest has been paid, from the date of this Variable Rate Bond, until paid in full, at the rates described below, payable on each Interest Payment Date. Until conversion of this Variable Rate Bond to a Flexible Rate Mode, a Multiannual Rate Mode or a Fixed Rate Mode as provided below, this Variable Rate Bond shall bear interest at the Weekly Rate, which rate shall be the rate of interest determined by the Remarketing Agent designated in the Trust Agreement hereinafter defined (the "Remarketing Agent") for each Rate Period (as that term is defined below) to be the lowest rate which in its judgment, on the basis of prevailing financial market conditions, would permit the sale of the Variable Rate Bonds in the Weekly Rate Mode at par plus accrued interest on and as of the Effective Date (as that term is defined below), but not in excess of the Maximum Interest Rate provided in the Trust Agreement hereinafter defined. If this Variable Rate Bond is converted to a Flexible Rate Mode, a Multiannual Rate Mode or a Fixed Rate Mode, it shall bear interest at the Flexible, Multiannual or Fixed Rate, as the case may be, as defined in the Trust Agreement hereinafter defined. The Remarketing Agent shall determine the initial Weekly Rate on or before the date of issue in or of conversion to the Weekly Rate Mode, which rate shall remain in effect as provided in the Trust Agreement hereinafter defined, and thereafter the Remarketing Agent shall redetermine the Weekly Rate for each Rate Period as provided below. The amount of interest due on any Interest Payment Date shall be the amount of unpaid interest accrued on this Variable Rate Bond through the day preceding such Interest Payment Date or, if such Interest Payment Date is not a Business Day, through the day preceding the first Business Day succeeding such Interest Payment Date.

This Variable Rate Bond is one of a duly authorized issue of bonds of the City designated as its "Taxable Pension Funding Bonds, Series ____" (the "Bonds") in the aggregate principal amount of _____ (\$ _____), and is one of a series of the Bonds constituting the Series ____ (Variable Rate) Bonds in the aggregate principal amount of _____ (\$ _____) (the "Variable Rate Bonds"), and is issued under and pursuant to the provisions of Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the Government Code of the State of California and all laws amendatory thereof or supplemental thereto (the "Act") and under and pursuant to the provisions of a Trust Agreement dated as of _____, by and between _____, as Trustee (the "Trustee") and the City (the "Trust Agreement") (copies of which are on file at the Corporate Trust Office (as that term is defined in the Trust Agreement) of the Trustee in _____ or _____.

Under the Trust Agreement, additional obligations may be issued on a parity with the Bonds, and the Bonds and any additional obligations issued on a parity with the Bonds are obligations imposed by law payable from funds to be appropriated by the City pursuant to Article XV of the City Charter and Article II, Chapter 2.250 of the Pasadena Municipal Code (the

“Retirement Law”). Reference is hereby made to the Act and to the Trust Agreement and to any and all amendments thereof for a description of the terms on which the Bonds are issued, for the rights of the registered owners of the Bonds, for the security for payment of the Bonds, for the remedies upon default and limitations thereon and for the provisions for the amendment of the Trust Agreement (with or without consent of the registered owners of the Bonds); and all the terms of the Trust Agreement are hereby incorporated herein and constitute a contract between the City and the registered owner of this Variable Rate Bond, to all the provisions of which the registered owner of this Variable Rate Bond, by acceptance hereof, agrees and consents.

The [interest on and the principal and] the Purchase Price (as that term is defined below) of this Variable Rate Bond is payable from money drawn by _____ (the “Paying Agent”) in _____, under [an irrevocable letter of credit/bond insurance policy/standby purchase agreement/other instrument] for the Variable Rate Bonds (together with any extensions and renewals thereof, the “Liquidity Facility”) issued by _____ (the “Liquidity Provider”) pursuant to the terms of a [reimbursement agreement/credit agreement/commitment letter/other agreement] dated as of _____ (the “Reimbursement Agreement”) between the Liquidity Provider and the City. The Liquidity Facility initially expires on _____, but may be terminated earlier upon the occurrence of certain events set forth in the Trust Agreement and the Reimbursement Agreement or extended as provided in the Reimbursement Agreement.

If an Event of Default, as that term is defined in the Trust Agreement, shall occur, the principal or Accreted Value (as that term is defined in the Trust Agreement) of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Trust Agreement; provided, that the Trust Agreement provides that in certain events such declaration and its consequences may be rescinded under the circumstances as provided therein.

Unless otherwise defined herein, all capitalized terms used in this Variable Rate Bond shall have the meaning given them in the Trust Agreement, except that the following terms are defined as follows:

“Effective Date” means, with respect to a Variable Rate Bond in a Flexible Rate Mode, a Weekly Rate Mode or a Multiannual Rate Mode, the date on which a new Rate Period for that Bond takes effect.

“Mode” means the period for and the manner in which the interest rates on the Variable Rate Bonds are set and includes a Flexible Rate Mode, a Weekly Rate Mode, a Multiannual Rate Mode and a Fixed Rate Mode.

“Purchase Date” means, while this Variable Rate Bond is in a Weekly Rate Mode, the date on which this Variable Rate Bond shall be required to be purchased pursuant to a mandatory or optional tender in accordance with the provisions hereof.

“Rate Period” means, when used with respect to any particular rate of interest for a Variable Rate Bond in a Flexible Rate Mode, a Weekly Rate Mode or a Multiannual Rate Mode,

the period during which such rate of interest determined for such Variable Rate Bond will remain in effect as described herein.

At the option of the City and upon certain conditions provided for in the Trust Agreement as described below, the Variable Rate Bonds (a) may be converted or reconverted from time to time to or from a Weekly Rate Mode or a Multiannual Rate Mode, which means that the Rate Period is, respectively, one (1) week or one (1) year or any multiple of one (1) year (b) may be converted or reconverted from time to time to or from a Flexible Rate Mode, which means that the Rate Periods are from one (1) to two hundred seventy (270) days as provided therein, or (c) may be converted to (but not from) a Fixed Rate Mode; provided, that in a Multiannual Rate Mode the first Rate Period occurring after conversion to such Mode may be shorter or longer than the applicable multiple of one (1) year. While this Variable Rate Bond is in the Weekly Rate Mode, a new interest rate shall take effect on the date such Mode takes effect and thereafter on each Wednesday.

While this Variable Rate Bond is in a Weekly Rate Mode, conversions to any other Mode may take place only on the first Business Day of any calendar month upon prior written notice from the Paying Agent to the registered owner of this Variable Rate Bond as provided in the Trust Agreement and subject to the conditions set forth in the Trust Agreement. In the event that the conditions for a proposed conversion to a new Mode are not met (i) such new Mode shall not take effect on the proposed conversion date, notwithstanding any prior notice to the registered owners of the Variable Rate Bonds of such conversion, (ii) this Variable Rate Bond shall automatically convert to a Flexible Rate Mode with a Rate Period of one (1) day and the Flexible Rate shall be determined as provided in the Trust Agreement, and (iii) this Variable Rate Bond shall be subject to mandatory tender for purchase as provided below. In no event shall the failure of this Variable Rate Bond to be converted to another Mode be deemed to be an Event of Default under the Trust Agreement as long as the Purchase Price (as that term is defined below) is made available on the failed conversion date to the registered owners of all Variable Rate Bonds that were to have been converted.

When this Variable Rate Bond is in a Weekly Rate Mode, the Weekly Rate in effect for each Rate Period shall be determined by the Remarketing Agent not later than the Business Day next preceding the Effective Date. The Remarketing Agent shall announce such determination by telephone to the Paying Agent on the date of determination thereof, and shall promptly confirm such notice in writing. If the Remarketing Agent fails to make such determination or fails to announce the Weekly Rate as required with respect to any Variable Rate Bonds in the Weekly Rate Mode, or if for any reason such manner of determination shall be determined to be invalid or unenforceable, such Bonds shall be deemed to be in a Flexible Rate Mode in a Rate Period with a duration of one (1) day and the Flexible Rate shall be determined as provided in the Trust Agreement. Each determination and redetermination of the Weekly Rate shall be conclusive and binding on the Trustee, the Paying Agent, the Credit Provider, the City and the registered owner specified above.

While this Variable Rate Bond is in a Weekly Rate Mode, the interest shall be computed on the basis of a 365- or 366-day year, as appropriate, and actual days elapsed, and shall be payable in lawful money of the United States of America on each Interest Payment Date in

immediately available funds by wire or bank transfer within the continental United States of America from the Paying Agent to the registered owner determined as of the close of business on the applicable record date, at its address as shown on the registration books maintained by the Paying Agent, and the principal of this Variable Rate Bond shall be payable in lawful money of the United States of America when due by wire or bank transfer of immediately available funds within the continental United States of America to the registered owner specified above, but only upon presentation and surrender of this Variable Rate Bond at the office the Paying Agent in _____ . From and after the date on which this Variable Rate Bond becomes due, any unpaid principal will bear interest at the then effective interest rate until paid or duly provided for. The Purchase Price (as that term is defined below) of Variable Rate Bonds tendered for purchase shall be paid as provided below.

The record date for payment of interest while this Variable Rate Bond is in the Weekly Rate Mode is the Business Day preceding the day on which interest is to be paid; provided, that with respect to overdue interest or interest payable on redemption of this Variable Rate Bond other than on an Interest Payment Date or interest on any overdue amount, the Trustee may establish a special record date. The special record date may be not more than thirty (30) days before the date set for payment. The Trustee will mail notice of a special record date to the registered owners of the Variable Rate Bonds at least ten (10) days before the special record date.

While this Variable Rate Bond is in the Weekly Rate Mode, the registered owner specified forth shall have the right to tender this Variable Rate Bond for purchase in multiples of one hundred thousand dollars (\$100,000) at a price (the "Purchase Price") equal to one hundred per cent (100%) of the principal amount thereof, plus accrued interest, if any, to the Purchase Date, upon compliance with the conditions described below, provided that if the Purchase Date is an Interest Payment Date, accrued interest shall be paid separately, and not as part of the Purchase Price on such date. In order to exercise the right to tender, the registered owner specified above must deliver to the Paying Agent a written irrevocable notice of tender substantially in the form of the Bondowner's Election Notice set forth hereon and satisfactory to the Paying Agent. While this Variable Rate Bond is in the Weekly Rate Mode, it will be purchased on the Business Day specified in such Bondowner's Election Notice, provided such date is at least seven (7) calendar days after receipt by the Paying Agent of such notice. If the registered owner specified above has elected to require purchase as provided above, the registered owner specified above shall be deemed, by such election, to have agreed irrevocably to sell this Variable Rate Bond to any purchaser determined in accordance with the provisions of the Trust Agreement on the date fixed for purchase at the Purchase Price. Tender of this Bond will not be effective and this Bond will not be purchased if at the time fixed for purchase an acceleration of the maturity of the Bonds shall have occurred and not have been annulled in accordance with the Trust Agreement. Notice of tender of this Bond is irrevocable. All notices of tender of Bonds shall be made to the Paying Agent at such address specified in writing by the Paying Agent to the registered owners of the Bonds.

This Variable Rate Bond is subject to mandatory tender for purchase at the Purchase Price (i) on the date of conversion or proposed conversion from one Mode to another Mode and (ii) on (a) the effective date of a substitute Credit Facility or Liquidity Facility or (b) a date that is not

more than fifteen (15) or less than five (5) days prior to the expiration or termination of the Credit Facility or Liquidity Facility (other than upon the early termination of a Liquidity Facility which results from certain early termination events approved by the Rating Agencies or upon conversion to the Fixed Rate Mode). Notice of mandatory tender shall be given or caused to be given by the Paying Agent in writing to the registered owner specified above at least ten (10) days prior to the mandatory Purchase Date. THE REGISTERED OWNER OF THIS BOND, BY ACCEPTANCE HEREOF, AGREES TO SELL AND SURRENDER THIS BOND IN ACCORDANCE WITH THE PROVISIONS OF THE TRUST AGREEMENT AND, ON THE PURCHASE DATE, TO SURRENDER THIS BOND TO THE PAYING AGENT FOR PAYMENT OF THE PURCHASE PRICE. UPON DEPOSIT OF THE PURCHASE PRICE WITH THE PAYING AGENT ON THE PURCHASE DATE, THIS BOND SHALL BE DEEMED TENDERED FOR PURCHASE, INTEREST HEREON SHALL CEASE TO ACCRUE AS OF THE PURCHASE DATE, AND THE REGISTERED OWNER HEREOF SHALL BE ENTITLED ONLY TO RECEIVE THE PURCHASE PRICE SO DEPOSITED WITH THE PAYING AGENT UPON SURRENDER OF THIS BOND TO THE PAYING AGENT. From and after the Purchase Date, no further interest on this Bond shall be payable to the registered owner above set forth, provided that there are sufficient funds available on the Effective Date to pay the Purchase Price.

Variable Rate Bonds the Purchase Price of which is paid from funds drawn on the Liquidity Facility shall be registered in the name of the Liquidity Provider or its designee by the Paying Agent (whether or not such Bonds are delivered by the tendering Holder) and shall constitute the Liquidity Provider Bonds under the Trust Agreement. Liquidity Provider Bonds shall bear interest at the Liquidity Provider Bond Rate.

The Purchase Price of this Variable Rate Bond shall be paid to the registered owner specified above by the Paying Agent on the Purchase Date or any subsequent Business Day on which this Variable Rate Bond is delivered to the Paying Agent. The Purchase Price of this Variable Rate Bond shall be paid only upon surrender of this Variable Rate Bond to the Paying Agent as provided herein. From and after the Purchase Date, no further interest on this Variable Rate Bond shall be payable to the registered owner specified above who gave notice of tender for purchase, provided that there are sufficient funds available on the Purchase Date to pay the Purchase Price. If on any date this Variable Rate Bond is subject to mandatory tender for purchase or is required to be purchased at the election of the registered owner specified above, payment of the Purchase Price of this Variable Rate Bond to such registered owner shall be made on the Purchase Date if presentation and surrender of this Variable Rate Bond is made prior to 11:00 A.M., New York City time, on the Purchase Date or on such later Business Day upon which presentation and surrender of this Variable Rate Bond is made prior to 11:00 A.M., New York City time.

The Variable Rate Bonds in the Weekly Rate Mode are subject to mandatory and optional redemption by the City as a whole or in part as provided in the Trust Agreement.

This Variable Rate Bond is transferable by the registered owner specified above, in person or by its attorney duly authorized in writing, at the office of the Trustee, upon surrender of this Variable Rate Bond to the Trustee for cancellation. Upon such transfer, a new Variable Rate

Bond or Bonds in authorized denominations of the same aggregate principal amount will be issued to the transferee at the same office. No transfer will be effective unless represented by such surrender and reissue. This Variable Rate Bond may also be exchanged at the office of the Trustee for a new Variable Rate Bond or Bonds in authorized denominations of the same aggregate principal amount without transfer to a new registered owner. Exchanges and transfers will be without expense to the registered owner except for applicable taxes or other governmental charges, if any. The Trustee will not be required to make an exchange or transfer of this Variable Rate Bond (except in connection with any optional or mandatory tender of this Variable Rate Bond) (i) if this Variable Rate Bond (or any portion thereof) has been selected for redemption or (ii) during the fifteen (15) days preceding any date fixed for selection for redemption if this Variable Rate Bond (or any portion thereof) is eligible to be selected for redemption.

The Bonds are issuable only in fully registered form and while in a Weekly Rate Mode shall be in denominations of one hundred thousand dollars (\$100,000) or any integral multiple thereof.

The City, the Trustee and the Paying Agent may treat the registered owner specified above as the absolute owner of this Variable Rate Bond for all purposes, notwithstanding any notice to the contrary.

This Variable Rate Bond shall not be entitled to any benefit, protection or security under the Trust Agreement or become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been executed and dated by an authorized signatory of the Trustee.

It is hereby certified that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of this Variable Rate Bond do exist, have happened and have been performed in due time, form and manner as required by law and that the amount of this Variable Rate Bond, together with all other indebtedness of the City, does not exceed any limit prescribed by the Constitution or laws of the State of California and is not in excess of the amount of Variable Rate Bonds permitted to be issued under the Trust Agreement.

IN WITNESS WHEREOF, the City of Pasadena has caused this Variable Rate Bond to be executed in its name and on its behalf by the signature of the _____ of the City and countersigned by the signature of the City Clerk who has impressed the seal of the City hereon, and has caused this Variable Rate Bond to be dated as of the date of this Bond specified above.

CITY OF PASADENA

By _____
Authorized Officer

[SEAL]

Countersigned:

City Clerk

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of 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.

[FORM OF CERTIFICATE OF AUTHENTICATION]

This is one of the Bonds described in the within-mentioned Trust Agreement which has been authenticated on _____.

as Trustee

By _____
Authorized Signatory

[FORM OF ASSIGNMENT]

For value received the undersigned hereby sells, assigns and transfers unto _____ (Taxpayer Identification Number: _____) the within Bond and all rights thereunder, and hereby

irrevocably constitutes and appoints _____ attorney to transfer the within 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 must be guaranteed by an eligible guarantor institution.

The following is the Bondowner's Election Notice described herein:

BONDOWNER'S ELECTION NOTICE

CITY OF PASADENA
TAXABLE PENSION FUNDING BONDS
SERIES B (VARIABLE RATE)
(WEEKLY RATE MODE)

<u>Principal Amount</u>	<u>CUSIP</u>	<u>Principal Amount Tendered for Purchase</u>	<u>Bond Numbers</u>	<u>Purchase Date</u>
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The undersigned hereby certifies that it is the registered owner of the Bonds described above (the "Tendered Bonds"), all of which are in the Weekly Rate Mode, and hereby agrees that the delivery of this instrument of transfer to the Paying Agent constitutes an irrevocable offer to sell the Tendered Bonds to the City or its designee on the Purchase Date, which shall be a Business Day at least seven (7) calendar days following delivery of this instrument, at a purchase price equal to the unpaid principal balance thereof plus accrued and unpaid interest thereon to the Purchase Date (the "Purchase Price"). The undersigned acknowledges and agrees that this election notice is irrevocable and that the undersigned will have no further rights with respect to the Tendered Bonds except payment, upon presentation and surrender of the Tendered Bonds, of the Purchase Price by payment by immediately available funds to the undersigned at its address as shown on the registration books of the Paying Agent (i) on the Purchase Date, if the Tendered Bonds shall have been surrendered to the Paying Agent prior to 11:00 A.M., New York City time, on the Purchase Date or (ii) on any Delivery Date subsequent to the Purchase Date on which Tendered Bonds are delivered to the Paying Agent by 11:00 A.M., New York City time.

Except as otherwise indicated herein and unless the context otherwise requires, the terms used herein shall have the meanings set forth in the Trust Agreement, dated as of _____, relating to the Bonds.

Date: _____

Signature(s)

Street City State Zip

IMPORTANT: The above signature(s) must correspond with the name(s) as set forth on the face of the Tendered Bond(s) with respect to which this Bondowner's Election Notice is being delivered without any change whatever. If this notice is signed by a person other than the registered owner of any Tendered Bond(s), the Tendered Bond(s) must be either endorsed on the Assignment appearing on each Bond or accompanied by appropriate bond powers, in each case signed exactly as the name or names of the registered owner or owners appear on the bond register. The method of presenting this notice to the Paying Agent is the choice of the person making such presentation. If it is made by mail, it should be by registered mail with return receipt requested.

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3. Form of Multiannual Rate Mode Bonds

ANY BONDHOLDER WHO FAILS TO DELIVER THIS BOND FOR PURCHASE AT THE TIME AND AT THE PLACE REQUIRED HEREIN SHALL HAVE NO FURTHER RIGHTS HEREUNDER EXCEPT THE RIGHT TO RECEIVE THE PURCHASE PRICE HEREOF UPON PRESENTATION AND SURRENDER OF THIS BOND TO THE PAYING AGENT AS DESCRIBED HEREIN, AND SUCH BONDHOLDER SHALL HOLD THIS BOND AS AGENT FOR THE PAYING AGENT.

CITY OF PASADENA
TAXABLE PENSION FUNDING BOND
SERIES B (VARIABLE RATE) BOND
(MULTIANNUAL RATE MODE)

No. R _____ \$ _____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

INTEREST RATE:
(To the Next Purchase Date)

NEXT PURCHASE DATE:

COMMENCEMENT DATE OF RATE PERIOD:

MATURITY DATE: _____

DATE OF THIS BOND:
(Date as of which Bonds of this
Series were initially issued)

CUSIP:

MODE: MULTIANNUAL

THE OBLIGATIONS OF THE CITY HEREUNDER, INCLUDING THE OBLIGATION TO MAKE ALL PAYMENTS HEREUNDER WHEN DUE, ARE OBLIGATIONS OF THE CITY IMPOSED BY LAW AND ARE ABSOLUTE AND UNCONDITIONAL, WITHOUT ANY RIGHT OF SET-OFF OR COUNTERCLAIM. THIS BOND DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION, AND NEITHER THE BONDS NOR THE OBLIGATION OF THE CITY TO MAKE PAYMENTS ON THE BONDS CONSTITUTE AN INDEBTEDNESS OF THE CITY, THE STATE OF CALIFORNIA, OR ANY OF ITS

POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

The City of Pasadena, a political subdivision duly organized and existing under the Constitution and the laws of the State of California and its Charter (the "City"), for value received hereby promises to pay in lawful money of the United States of America to the registered owner specified above, or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter provided for) the principal amount specified above, together with interest on such principal amount from the most recent Interest Payment Date (as that term is defined below) to which interest has been paid or duly provided for or, if no interest has been paid, from the date of this Variable Rate Bond, until paid in full, at the rates described below, payable on each Interest Payment Date. So long as this Variable Rate Bond is in a Multiannual Rate Mode, interest shall be due on each Purchase Date (as that term is defined below) and on the maturity date and on each _____ and _____ (the "Interest Payment Dates"). Until conversion of this Variable Rate Bond to a Flexible Rate Mode, a Weekly Rate Mode or a Fixed Rate Mode as provided below, this Variable Rate Bond shall bear interest at the Multiannual Rate, which rate shall be the rate of interest determined by the Remarketing Agent designated in the Trust Agreement hereinafter defined (the "Remarketing Agent") for each Rate Period (as that term is defined below) to be the lowest rate which in its judgment, on the basis of prevailing financial market conditions, would permit the sale of the Variable Rate Bonds in the Multiannual Rate Mode with the same Rate Period at par plus accrued interest on and as of the Effective Date (as that term is defined below), but not in excess of the Maximum Interest Rate provided for in the Trust Agreement hereinafter defined. If this Variable Rate Bond is converted to a Flexible Rate Mode, a Weekly Rate Mode or a Fixed Rate Mode, it shall bear interest at the Flexible, Weekly or Fixed Rate, as the case may be, as defined in the Trust Agreement hereinafter defined. The Remarketing Agent shall determine the initial Multiannual Rate on or before the date of issue in or of conversion to the Multiannual Rate Mode, which rate shall remain in effect as provided in the Trust Agreement hereinafter defined, and thereafter the Remarketing Agent shall redetermine the Multiannual Rate for each Rate Period as provided below. The amount of interest due on any Interest Payment Date shall be the amount of unpaid interest accrued on this Variable Rate Bond through the day preceding such Interest Payment Date. If any payment, redemption or maturity date for principal, premium or interest shall not be a Business Day, then the payment thereof may be made on the next succeeding Business Day with the same force and effect as if made on the specified payment date and no interest shall accrue for the period after the specified payment date.

This Variable Rate Bond is one of a duly authorized issue of bonds of the City designated as its "Taxable Pension Funding Bonds, Series ____" (the "Bonds") in the aggregate principal amount of _____ (\$_____), and is one of a series of the Bonds constituting the Series ____ (Variable Rate) Bonds in the aggregate principal amount of _____ (\$_____) (the "Variable Rate Bonds"), and is issued under and pursuant to the provisions of Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the

Government Code of the State of California and all laws amendatory thereof or supplemental thereto (the "Act") and under and pursuant to the provisions of a Trust Agreement dated as of _____, by and between _____, as Trustee (the "Trustee") and the City (the "Trust Agreement") (copies of which are on file at the Corporate Trust Office (as that term is defined in the Trust Agreement) of the Trustee in _____ or _____.

Under the Trust Agreement, additional obligations may be issued on a parity with the Bonds, and the Bonds and any additional obligations issued on a parity with the Bonds are obligations imposed by law payable from funds to be appropriated by the City pursuant to Article XV of the City Charter and Article II, Chapter 2.250 of the Pasadena Municipal Code (the "Retirement Law"). Reference is hereby made to the Act and to the Trust Agreement and to any and all amendments thereof for a description of the terms on which the Bonds are issued, for the rights of the registered owners of the Bonds, for the security for payment of the Bonds, for the remedies upon default and limitations thereon and for the provisions for the amendment of the Trust Agreement (with or without consent of the registered owners of the Bonds); and all the terms of the Trust Agreement are hereby incorporated herein and constitute a contract between the City and the registered owner of this Variable Rate Bond, to all the provisions of which the registered owner of this Variable Rate Bond, by acceptance hereof, agrees and consents.

[The interest on and the principal and the Purchase Price (as that term is defined below) of this Variable Rate Bond is payable from money drawn by _____ (the "Paying Agent") in _____, under [an irrevocable letter of credit/bond insurance policy/standby purchase agreement/other instrument] for the Variable Rate Bonds (together with any extensions and renewals thereof, the "Liquidity Facility") issued by _____ (the "Liquidity Provider") pursuant to the terms of a [reimbursement agreement/credit agreement/commitment agreement/other agreement] dated as of _____ (the "Reimbursement Agreement") between the Liquidity Provider and the City. The Liquidity Facility initially expires on _____, but may be terminated earlier upon the occurrence of certain events set forth in the Trust Agreement and the Reimbursement Agreement or extended as provided in the Reimbursement Agreement.]

If an Event of Default, as that term is defined in the Trust Agreement, shall occur, the principal or Accreted Value (as that term is defined in the Trust Agreement) of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Trust Agreement; provided, that the Trust Agreement provides that in certain events such declaration and its consequences may be rescinded under the circumstances as provided therein.

Unless otherwise defined herein, all capitalized terms used in this Variable Rate Bond shall have the meaning given them in the Trust Agreement, except that the following terms are defined as follows:

"Effective Date" means, with respect to a Variable Rate Bond in a Flexible Rate Mode, a Weekly Rate Mode or a Multiannual Rate Mode, the date on which a new Rate Period for that Bond takes effect.

“Mode” means the period for and the manner in which the interest rates on the Variable Rate Bonds are set and includes a Flexible Rate Mode, a Weekly Rate Mode, a Multiannual Rate Mode and a Fixed Rate Mode.

“Purchase Date” means, while this Variable Rate Bond is in a Multiannual Rate Mode, the date on which this Variable Rate Bond shall be required to be purchased pursuant to a mandatory tender in accordance with the provisions hereof.

“Rate Period” means, when used with respect to any particular rate of interest for a Variable Rate Bond in a Flexible Rate Mode, a Weekly Rate Mode or a Multiannual Rate Mode, the period during which such rate of interest determined for such Variable Rate Bond will remain in effect as described herein.

At the option of the City and upon certain conditions provided for in the Trust Agreement described below, the Variable Rate Bonds (a) may be converted or reconverted from time to time to or from a Weekly Rate Mode or a Multiannual Rate Mode, which means that the Rate Period is, respectively, one (1) week or one (1) year or any multiple of one (1) year, (b) may be converted or reconverted from time to time to or from a Flexible Rate Mode, which means that the Rate Periods are from one (1) to two hundred seventy (270) days as provided therein, or (c) may be converted to (but not from) a Fixed Rate Mode; provided, that in a Multiannual Rate Mode the first Rate Period occurring after conversion to such Mode may be shorter or longer than the applicable multiple of one (1) year.

While this Variable Rate Bond is in a Multiannual Rate Mode, conversions to any other Mode, or conversions to new Rate Periods of the same or different lengths while in the Multiannual Rate Mode, may take place only on an Effective Date upon prior written notice from the Paying Agent to the registered owner of this Variable Rate Bond as provided in the Trust Agreement and subject to the conditions set forth in the Trust Agreement. In the event that the conditions for a proposed conversion to a new Mode, or to a new Rate Period in the Multiannual Rate Mode of the same or different length, are not met (i) such new Mode or Rate Period shall not take effect on the proposed conversion date, notwithstanding any prior notice to the registered owners of the Variable Rate Bonds of such conversion, (ii) this Variable Rate Bond shall automatically convert to a Flexible Rate Mode with a Rate Period of one (1) day and the Flexible Rate shall be determined as provided in the Trust Agreement, and (iii) this Variable Rate Bond shall be subject to mandatory tender for purchase as provided below. In no event shall the failure of this Variable Rate Bond to be converted to another Mode or Rate Period be deemed to be an Event of Default under the Trust Agreement as long as the Purchase Price (as that term is defined below) is made available on the failed conversion date to the registered owners of all Variable Rate Bonds that were to have been converted.

When this Variable Rate Bond is in a Multiannual Rate Mode, the Multiannual Rate in effect for each Rate Period (the “Effective Rate” for such Period) shall be determined by the Remarketing Agent not later than two (2) Business Days prior to the Effective Date. The Remarketing Agent shall announce such determination by telephone to the Paying Agent on the date of determination thereof, and shall promptly confirm such notice in writing. If the Remarketing Agent fails to make such determination or fails to announce the Effective Rate as

required with respect to any Variable Rate Bonds in the Multiannual Rate Mode, or if for any reason such manner of determination shall be determined to be invalid or unenforceable, such Bonds shall be deemed to be in a Flexible Rate Mode in a Rate Period with a duration of one (1) day and the Flexible Rate shall be determined as provided in the Trust Agreement. Each determination and redetermination of the Multiannual Rate shall be conclusive and binding on the Trustee, the Paying Agent, the Credit Provider, if any, the City and the registered owner specified above.

While this Variable Rate Bond is in a Multiannual Rate Mode, the interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months, and shall be payable in lawful money of the United States of America on each Interest Payment Date in immediately available funds by wire or bank transfer within the continental United States of America from the Paying Agent to the registered owner determined as of the close of business on the applicable record date, at its address as shown on the registration books maintained by the Paying Agent, and the principal of this Variable Rate Bond shall be payable in lawful money of the United States of America when due by wire or bank transfer of immediately available funds within the continental United States of America to the registered owner specified above, but only upon presentation and surrender of this Variable Rate Bond at the office of the Paying Agent in Los Angeles, California. From and after the date on which this Variable Rate Bond becomes due, any unpaid principal will bear interest at the then effective interest rate until paid or duly provided for. The Purchase Price (as that term is defined below) of Variable Rate Bonds tendered for purchase shall be paid as provided below.

The record date for payment of interest while this Variable Rate Bond is in the Multiannual Rate Mode is the fifteenth (15th) day of the month immediately preceding the date on which interest is to be paid; provided, that with respect to overdue interest or interest payable on redemption of this Variable Rate Bond other than on an Interest Payment Date or interest on any overdue amount, the Trustee may establish a special record date, which may be not more than thirty (30) days before the date set for payment. The Trustee will mail notice of a special record date to the registered owners of the Variable Rate Bonds at least ten (10) days before the special record date.

This Variable Rate Bond is subject to mandatory tender for purchase at a price (the "Purchase Price") of par plus accrued interest (i) on each Effective Date and on the date of conversion or proposed conversion from one Mode to another Mode or the conversion from one Rate Period to another Rate Period and (ii) on (a) the effective date of any substitute Credit Facility or Liquidity Facility or (b) a date that is not more than fifteen (15) or less than five (5) days prior to the expiration or termination of any Credit Facility or Liquidity Facility (other than upon the early termination of a Liquidity Facility which results from certain early termination events approved by the Rating Agencies or upon conversion to the Fixed Rate Mode. Notice of mandatory tender shall be given or caused to be given by the Paying Agent in writing to the registered owner specified above at least ten (10) days prior to the mandatory Purchase Date. THE REGISTERED OWNER OF THIS BOND, BY ACCEPTANCE HEREOF, AGREES TO SELL AND SURRENDER THIS BOND IN ACCORDANCE WITH THE PROVISIONS OF THE TRUST AGREEMENT AND, ON THE PURCHASE DATE, TO SURRENDER THIS

BOND TO THE PAYING AGENT FOR PAYMENT OF THE PURCHASE PRICE. UPON DEPOSIT OF THE PURCHASE PRICE WITH THE PAYING AGENT ON THE PURCHASE DATE, THIS BOND SHALL BE DEEMED TENDERED FOR PURCHASE, INTEREST HEREON SHALL CEASE TO ACCRUE AS OF THE PURCHASE DATE, AND THE REGISTERED OWNER HEREOF SHALL BE ENTITLED ONLY TO RECEIVE THE PURCHASE PRICE SO DEPOSITED WITH THE PAYING AGENT UPON SURRENDER OF THIS BOND TO THE PAYING AGENT. From and after the Purchase Date, no further interest on this Bond shall be payable to the registered owner above set forth, provided that there are sufficient funds available to pay the Purchase Price.

Variable Rate Bonds the Purchase Price of which is paid from funds drawn on the Liquidity Facility shall be registered in the name of the Liquidity Provider or its designee by the Paying Agent (whether or not such Bonds are delivered by the tendering Holder) and shall constitute the Liquidity Provider Bonds under the Trust Agreement. Liquidity Provider Bonds shall bear interest at the Liquidity Provider Bond Rate.

The Purchase Price of this Variable Rate Bond shall be paid to the registered owner specified above by the Paying Agent on the Purchase Date or any subsequent Business Day on which this Variable Rate Bond is delivered to the Paying Agent. The Purchase Price of this Variable Rate Bond shall be paid only upon surrender of this Variable Rate Bond to the Paying Agent as provided herein. From and after the Purchase Date, no further interest on this Variable Rate Bond shall be payable to the registered owner specified above who gave notice of tender for purchase, provided that there are sufficient funds available on the Purchase Date to pay the Purchase Price. If on any date this Variable Rate Bond is subject to mandatory tender for purchase, payment of the Purchase Price of this Variable Rate Bond to such registered owner shall be made on the Purchase Date if presentation and surrender of this Variable Rate Bond is made prior to 11:00 A.M., New York City time, on the Purchase Date or on such later Business Day upon which presentation and surrender of this Variable Rate Bond is made prior to 11:00 A.M., New York City time.

The Variable Rate Bonds in the Multiannual Rate Mode are subject to mandatory and optional redemption by the City as a whole or in part as provided in the Trust Agreement.

This Variable Rate Bond is transferable by the registered owner specified above, in person or by its attorney duly authorized in writing, at the office of the Trustee, upon surrender of this Variable Rate Bond to the Trustee for cancellation. Upon such transfer, a new Variable Rate Bond or Bonds in authorized denominations of the same aggregate principal amount will be issued to the transferee at the same office. No transfer will be effective unless represented by such surrender and reissue. This Variable Rate Bond may also be exchanged at the office of the Trustee for a new Variable Rate Bond or Bonds in authorized denominations of the same aggregate principal amount without transfer to a new registered owner. Exchanges and transfers will be without expense to the registered owner except for applicable taxes or other governmental charges, if any. The Trustee will not be required to make an exchange or transfer of this Variable Rate Bond (except in connection with any optional or mandatory tender of this Variable Rate Bond) (i) if this Variable Rate Bond (or any portion thereof) has been selected for redemption or

(ii) during the fifteen (15) days preceding any date fixed for selection for redemption if this Variable Rate Bond (or any portion thereof) is eligible to be selected for redemption.

The Bonds are issuable only in fully registered form and while in a Multiannual Rate Mode shall be in denominations of five thousand dollars (\$5,000) or any integral multiple thereof.

The City, the Trustee and the Paying Agent may treat the registered owner specified above as the absolute owner of this Variable Rate Bond for all purposes, notwithstanding any notice to the contrary.

This Variable Rate Bond shall not be entitled to any benefit, protection or security under the Trust Agreement or become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been executed and dated by an authorized signatory of the Trustee.

It is hereby certified that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of this Variable Rate Bond do exist, have happened and have been performed in due time, form and manner as required by law and that the amount of this Variable Rate Bond, together with all other indebtedness of the City, does not exceed any limit prescribed by the Constitution or laws of the State of California and is not in excess of the amount of Variable Rate Bonds permitted to be issued under the Trust Agreement.

IN WITNESS WHEREOF, the City of Pasadena has caused this Variable Rate Bond to be executed in its name and on its behalf by the signature of the _____ of the City and countersigned by the signature of the City Clerk who has impressed the seal of the City hereon, and has caused this Variable Rate Bond to be dated as of the original issue date specified above.

CITY OF PASADENA

By _____
Authorized Officer

[SEAL]

Countersigned:

City Clerk

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of 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.

[FORM OF CERTIFICATE OF AUTHENTICATION]

This is one of the Bonds described in the within-mentioned Trust Agreement which has been authenticated on _____.

_____,
as Trustee

By _____
Authorized Signatory

[FORM OF ASSIGNMENT]

For value received the undersigned hereby sells, assigns and transfers unto _____ (Taxpayer Identification Number: _____) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within 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 must be guaranteed by an eligible guarantor institution.

4. Form of Fixed Rate Mode Bonds

CITY OF PASADENA
TAXABLE PENSION FUNDING BOND
SERIES B (VARIABLE RATE) BOND
(FIXED RATE MODE)

No. R _____

\$ _____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

DOLLARS

INTEREST RATE:

INTEREST PAYMENT DATES: _____ and _____

MATURITY DATE: _____

DATE OF THIS BOND:

(Date as of which Bonds of this
Series were initially issued)

CUSIP:

MODE: FIXED

THE OBLIGATIONS OF THE CITY HEREUNDER, INCLUDING THE OBLIGATION TO MAKE ALL PAYMENTS HEREUNDER WHEN DUE, ARE OBLIGATIONS OF THE CITY IMPOSED BY LAW AND ARE ABSOLUTE AND UNCONDITIONAL, WITHOUT ANY RIGHT OF SET-OFF OR COUNTERCLAIM. THIS BOND DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION, AND NEITHER THE BONDS NOR THE OBLIGATION OF THE CITY TO MAKE PAYMENTS ON THE BONDS CONSTITUTE AN INDEBTEDNESS OF THE CITY, THE STATE OF CALIFORNIA, OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

The City of Pasadena, a political subdivision duly organized and existing under the Constitution and laws of the State of California and its Charter (the "City"), for value received hereby promises to pay in lawful money of the United States of America to the registered owner specified above, or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter provided for) the principal amount specified above, together with

interest on such principal amount from the most recent Interest Payment Date (as that term is defined below) to which interest has been paid or duly provided for or, if no interest has been paid, from the date of this Variable Rate Bond, until paid in full, at the interest rate specified above, payable on each Interest Payment Date. Interest shall be due on each _____ and _____ and on the maturity date (the "Interest Payment Dates").

This Variable Rate Bond is one of a duly authorized issue of bonds of the City designated as its "Taxable Pension Funding Bonds, Series ____" (the "Bonds") in the aggregate principal amount of _____ (\$ _____), and is one of a series of the Bonds constituting the Series ____ (Variable Rate) Bonds in the aggregate principal amount of _____ (\$ _____) (the "Variable Rate Bonds"), and is issued under and pursuant to the provisions of Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the Government Code of the State of California and all laws amendatory thereof or supplemental thereto (the "Act") and under and pursuant to the provisions of a Trust Agreement dated as of _____, by and between _____, as Trustee (the "Trustee") and the City (the "Trust Agreement") (copies of which are on file at the Corporate Trust Office (as that term is defined in the Trust Agreement) of the Trustee in _____ or _____.

Under the Trust Agreement, additional obligations may be issued on a parity with the Bonds, and the Bonds and any additional obligations issued on a parity with the Bonds are obligations imposed by law payable from funds to be appropriated by the City pursuant to Article XV of the City Charter and Article II, Chapter 2.250 of the Pasadena Municipal Code (the "Retirement Law"). Reference is hereby made to the Act and to the Trust Agreement and to any and all amendments thereof for a description of the terms on which the Bonds are issued, for the rights of the registered owners of the Bonds, for the security for payment of the Bonds, for the remedies upon default and limitations thereon and for the provisions for the amendment of the Trust Agreement (with or without consent of the registered owners of the Bonds); and all the terms of the Trust Agreement are hereby incorporated herein and constitute a contract between the City and the registered owner of this Variable Rate Bond, to all the provisions of which the registered owner of this Variable Rate Bond, by acceptance hereof, agrees and consents.

If an Event of Default, as that term is defined in the Trust Agreement, shall occur, the principal or Accreted Value (as that term is defined in the Trust Agreement) of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Trust Agreement; provided, that the Trust Agreement provides that in certain events such declaration and its consequences may be rescinded under the circumstances as provided therein. The Variable Rate Bonds are redeemable pursuant to the Trust Agreement prior to maturity beginning on _____, _____, at the option of the City, as a whole or in part at any time, at the following redemption prices (expressed in percentages of their principal amount), plus accrued interest to the redemption date:

[Table to be prepared upon Fixed Rate conversion]

Period During Which Redeemed	Redemption Price
	%

If less than all of the outstanding Variable Rate Bonds are to be called for redemption, the Variable Rate Bonds (or portions thereof) to be redeemed shall be selected as provided in the Trust Agreement.

In the event this Variable Rate Bond is selected for redemption, notice will be mailed no more than forty-five (45) nor less than thirty (30) days prior to the redemption date to the registered owner at its address shown on the registration books maintained by the Trustee; provided, that failure to mail notice to the registered owner of any Bond or any defect in the notice to such registered owner shall not affect the redemption of this Bond.

If this Variable Rate Bond is of a denomination in excess of five thousand dollars (\$5,000), portions of the principal amount in the amount of five thousand dollars (\$5,000) or any multiple thereof may be redeemed, and if less than all of the principal amount is to be redeemed, upon surrender of this Bond to the Trustee, there will be issued to the registered owner, without charge, a new Bond or Bonds, at the option of the registered owner, for the unredeemed principal amount.

This Variable Rate Bond is transferable by the registered owner specified above, in person or by its attorney duly authorized in writing, at the office of the Trustee, upon surrender of this Variable Rate Bond to the Trustee for cancellation. Upon such transfer, a new Variable Rate Bond or Bonds in authorized denominations of the same aggregate principal amount will be issued to the transferee at the same office. No transfer will be effective unless represented by such surrender and reissue. This Variable Rate Bond may also be exchanged at the office of the Trustee for a new Variable Rate Bond or Bonds in authorized denominations of the same aggregate principal amount without transfer to a new registered owner. Exchanges and transfers will be without expense to the registered owner except for applicable taxes or other governmental charges, if any. The Trustee will not be required to make an exchange or transfer of this Variable Rate Bond during the fifteen (15) days preceding any date fixed for selection for redemption if this Variable Rate Bond (or any portion thereof) is eligible to be selected or has been selected for redemption.

The Bonds are issuable only in fully registered form and while in a Fixed Rate Mode shall be in denominations of five thousand dollars (\$5,000) or any integral multiple thereof.

The City and the Trustee may treat the registered owner specified above as the absolute owner of this Variable Rate Bond for all purposes, notwithstanding any notice to the contrary.

This Variable Rate Bond shall not be entitled to any benefit, protection or security under the Trust Agreement or become valid or obligatory for any purpose until the certificate of

authentication and registration hereon endorsed shall have been executed and dated by an authorized signatory of the Trustee.

It is hereby certified that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of this Variable Rate Bond do exist, have happened and have been performed in due time, form and manner as required by law and that the amount of this Variable Rate Bond, together with all other indebtedness of the City, does not exceed any limit prescribed by the Constitution or laws of the State of California and is not in excess of the amount of Variable Rate Bonds permitted to be issued under the Trust Agreement.

IN WITNESS WHEREOF, the City of Pasadena has caused this Variable Rate Bond to be executed in its name and on its behalf by the signature of the _____ of the City and countersigned by the signature of the City Clerk who has impressed the seal of the City hereon, and has caused this Variable Rate Bond to be dated as of the original issue date specified above.

CITY OF PASADENA

By _____
Authorized Officer

[SEAL]

Countersigned:

City Clerk

[FORM OF CERTIFICATE OF AUTHENTICATION]

This is one of the Bonds described in the within-mentioned Trust Agreement which has been authenticated on _____.

_____,
as Trustee

By _____
Authorized Signatory

[FORM OF ASSIGNMENT]

For value received the undersigned hereby sells, assigns and transfers unto _____ (Taxpayer Identification Number: _____) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within 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 must be guaranteed by an eligible guarantor institution.