

**EXHIBIT D**

**NOTICE OF PARTIAL REDEMPTION**

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

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

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

<u>Maturity (June 1)</u>	<u>Principal Amount Outstanding</u>	<u>Principal Amount to be Redeemed</u>	<u>CUSIP Number</u>	<u>Bond Number</u>
2013	\$3,620,000		702248JX4	11
2022	5,535,000		702248KG9	20

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

<u>First Class/Registered/Certified:</u>	<u>Express Delivery Only:</u>	<u>By Hand Only:</u>
<b>The Bank of New York Mellon</b> Global Corporate Trust P.O. Box 2320 Dallas, Texas 75221-2320	<b>The Bank of New York Mellon</b> Global Corporate Trust 2001 Bryan Street, 9 <sup>th</sup> Floor Dallas, Texas 75201	<b>The Bank of New York Mellon</b> Global Corporate Trust Corporate Trust Window 101 Barclay Street, 1 <sup>st</sup> Floor East New York, New York 10286

[The City expects to issue electric revenue refunding bonds on or prior to the Redemption Date. This Notice will be withdrawn if such electric revenue refunding bonds are not issued and the City does not deposit with the Fiscal Agent not later than the opening of business on the Redemption Date moneys sufficient to redeem the Refunded 2002 Bonds on the Redemption Date.]

On December 1, 2012, [if sufficient moneys are then available for the redemption thereof,] the Refunded 2002 Bonds will be payable at a redemption price of 100% of the principal amount thereof with accrued interest thereon, and from and after December 1, 2012 interest on the Refunded 2002 Bonds will not accrue.

**Important Notice**

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

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

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

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

**EXHIBIT E**

**NOTICE OF PARTIAL DEFEASANCE**

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

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

<u>Maturity (June 1)</u>	<u>Principal Amount Outstanding</u>	<u>Principal Amount Defeased</u>	<u>Interest Rate</u>	<u>Non- Defeased Amount</u>
2013	\$3,620,000		4.00%	\$0
2022	5,535,0003		4.75	

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

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

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

EXHIBIT C

PROPOSED FORM OF  
ESCROW AGREEMENT RELATING  
TO THE 2003 BONDS

**ESCROW AGREEMENT  
RELATING TO THE DEFEASANCE AND REDEMPTION  
OF A PORTION OF THE CITY OF PASADENA, CALIFORNIA  
ELECTRIC REVENUE BONDS, 2003 SERIES**

THIS ESCROW AGREEMENT, dated as of October 1, 2012 (this “Escrow Agreement”), by and between the City of Pasadena, California (the “City”) and The Bank of New York Mellon Trust Company, N.A., as escrow agent hereunder (the “Escrow Agent”),

W I T N E S S E T H :

WHEREAS, pursuant to an Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 1998 (as amended and supplemented, the “Fiscal Agent Agreement”), by and between the City and The Bank of New York Mellon Trust Company, N.A., as successor fiscal agent (the “Fiscal Agent”), the City heretofore issued \$9,905,000 principal amount of its Electric Revenue Bonds, 2003 Series, of which \$6,010,000 principal amount are currently outstanding (the “2003 Bonds”); and

WHEREAS, the City’s Electric Revenue Refunding Bonds, 2012A Series (the “2012A Bonds”) are being issued pursuant to the Fiscal Agent Agreement for the purpose, among others, of refunding the outstanding 2003 Bonds maturing on and after June 1, 2014 (such 2003 Bonds being refunded are more particularly identified in Exhibit A attached hereto and referred to herein as the “Refunded 2003 Bonds”), by providing funds to pay the interest to become due on the Refunded 2003 Bonds to and including June 1, 2013 and to redeem on June 1, 2013, the Refunded 2003 Bonds at a redemption price equal to 100% of the principal amount thereof; and

WHEREAS, in order to accomplish the refunding of the Refunded 2003 Bonds in accordance with the Fiscal Agent Agreement, the City will deposit, or cause to be deposited, with the Escrow Agent, proceeds of the 2012A Bonds and certain other available funds in accordance with this Escrow Agreement;

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

SECTION 1. Deposit of Moneys. The City will irrevocably deposit, or cause to be deposited, with the Escrow Agent \$ \_\_\_\_\_, representing a portion of the net proceeds of the sale of the 2012A Bonds (including \$ \_\_\_\_\_ of amounts representing a portion of the Good Faith Deposit received by the City from the original purchaser of the 2012A Bonds); all to be held in irrevocable trust by the Escrow Agent, separate and apart from other funds of the City and the Escrow Agent, in a fund hereby created and established to be known as the “Escrow Fund” and to be applied solely as provided in this Escrow Agreement. \$ \_\_\_\_\_ of said moneys will be applied to purchase direct obligations of the United States of America (including obligations held or issued in book-entry form on the books of the Department of the Treasury of the United States of America and CATS and TIGRS) or obligations the timely payment of the principal of and interest on which are fully guaranteed by the United States of America and otherwise satisfying the criteria set forth in Section 9.03 of the Fiscal Agent Agreement (the “Federal Securities”), and \$ \_\_\_\_\_ of said moneys will be held uninvested as cash.

The moneys set forth above are at least an amount sufficient to purchase the Federal Securities (if any). The principal of and interest on the Federal Securities when due will provide moneys, together with the moneys held uninvested as cash as set forth above, which will be sufficient to pay the interest to become due on the Refunded 2003 Bonds to and including June 1, 2013 and to redeem on June 1, 2013, the Refunded 2003 Bonds at a redemption price equal to 100% of the principal amount thereof. The amounts required to be paid on the Refunded 2003 Bonds are shown on Exhibit B hereto. In accordance with the Fiscal Agent Agreement, upon the deposit of funds as provided in this Section 1, provision satisfactory to the Fiscal Agent having been made for the giving of notice of the redemption of the Refunded 2003 Bonds as set forth in Section 5 hereof, the pledge of the Net Income and other assets made under the Fiscal Agent Agreement in respect of the Refunded 2003 Bonds shall cease, terminate and be completely discharged and satisfied, and all payments of interest on, any redemption premium, and principal of the Refunded 2003 Bonds shall be paid only from moneys on deposit with the Escrow Agent as provided in this Escrow Agreement.

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

SECTION 3. Investment of Any Remaining Moneys. In the event that the Escrow Agent shall receive (i) any cash payment not required for the initial purchase of Federal Securities set forth in Exhibit C hereto, if any, or (ii) any payment of principal or interest from the Federal Securities, if any, prior to the date on which such payment is required for the purposes set forth herein, then, at the written direction of the City, the Escrow Agent shall reinvest the amount of such payment, or any portion thereof, in noncallable Federal Securities maturing in an amount at least equal to the purchase price thereof and maturing not later than the date on which such payment or portion thereof is required for the purposes set forth in Section 5, as verified in a report (a "Verification Report") prepared by an independent certified public accountant or firm of certified public accountants experienced in the refunding of obligations of governmental entities (a "Verification Agent") and provided the City has obtained and delivered to the Escrow Agent an unqualified opinion of nationally recognized bond counsel that such reinvestment will not adversely affect the exclusion from gross income of interest payable on the 2012A Bonds or the 2003 Bonds for purposes of federal income taxation. The Escrow Agent shall monitor compliance with the foregoing requirements. Any investment income resulting from investment or reinvestment of moneys pursuant to this Section 3 which is not required for the purposes set forth in this Section 3 or in Section 5, as verified in the Verification Report, originally obtained by the City with respect to the refunding of the Refunded 2003 Bonds or in any other Verification Report, shall be transferred to the Parity Obligation Payment Fund established pursuant to Section 4.02 of the Fiscal Agent Agreement. Any such amounts transferred to the Parity Obligation Payment Fund may be temporarily invested by the City in Investment Securities (as defined in the Fiscal Agent Agreement) after consultation with nationally recognized bond counsel regarding yield restriction limitations with respect to such investment.

SECTION 4. Substitution of Securities. Upon the written request of the City, and subject to the conditions and limitations herein set forth, the Escrow Agent shall sell, redeem or otherwise dispose of Federal Securities, if any, provided that there are substituted therefor from the proceeds of such Federal Securities, other Federal Securities satisfying the criteria for Federal Securities set forth in the Fiscal Agent Agreement, but only after the City has obtained and delivered to the Escrow Agent (i) an unqualified opinion of nationally recognized bond counsel that such reinvestment will not adversely affect the exclusion from gross income of interest payable on the 2012A Bonds or the 2003 Bonds for purposes of federal income taxation and (ii) a report by a Verification Agent to the effect that such reinvestment will not adversely affect the sufficiency of the amounts of securities, investments and money in the Escrow Fund to pay the Refunded 2003 Bonds as provided in Section 1. The Escrow Agent shall not be liable or responsible for any loss resulting from any reinvestment made pursuant to this Escrow Agreement and in full compliance with the provisions hereof.

SECTION 5. Payment of Refunded 2003 Bonds.

(a) Payment of Refunded 2003 Bonds. From the maturing principal of the Federal Securities, if any, and the investment income and other earnings thereon, if any, and other moneys on deposit in the Escrow Fund, the Escrow Agent shall pay (i) the interest to become due on the Refunded 2003 Bonds on December 1, 2012 and on June 1, 2013 and (ii) the redemption price of the Refunded 2003 Bonds (*i.e.*, 100% of the principal amount thereof) to be redeemed on June 1, 2013. Any moneys remaining in the Escrow Fund after payment of the Refunded 2003 Bonds in full as provided herein shall be transferred to the Parity Obligation Payment Fund. Any such amounts transferred to the Parity Obligation Payment Fund may be temporarily invested by the City in Investment Securities after consultation with nationally recognized bond counsel regarding yield restriction limitations with respect to such investment.

(b) Instructions to Provide Notice. The City hereby irrevocably instructs the Fiscal Agent (i) to mail a notice to the owners of the Refunded 2003 Bonds substantially in the form of Exhibit D hereto that an irrevocable deposit has been made with the Escrow Agent and that the Refunded 2003 Bonds have been deemed to be paid, all in accordance with the Fiscal Agent Agreement, and (ii) to provide notice of the redemption of the Refunded 2003 Bonds to be redeemed substantially in the form of Exhibit E hereto (A) by mail, postage prepaid, to the registered owners of the Refunded 2003 Bonds (with a copy to the bond insurer for the Refunded 2003 Bonds) and to the Municipal Securities Rulemaking Board (MSRB) through the Electronic Municipal Market Access System (referred to as "EMMA"), at [www.emma.msrb.org](http://www.emma.msrb.org), at least thirty (30) days but not more than sixty (60) days prior to June 1, 2013, the redemption date, all in accordance with Section 3.02 of the Fiscal Agent Agreement.

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

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

and free from trust, and all liability of the Escrow Agent with respect to such moneys shall thereupon cease and any unpaid owners of Refunded 2003 Bonds shall look only to the City for the payment thereof; provided, however, that before being required to make any such payment to the City, the Escrow Agent shall, at the expense of the City, first mail to the owners of any Refunded 2003 Bonds remaining unpaid, a notice that said moneys remain unclaimed and that the balance of such moneys then unclaimed will be returned to the City.

(d) Priority of Payments. The owners of the Refunded 2003 Bonds shall have a lien on moneys and securities, if any, in the Escrow Fund, including, as applicable, any redemption premium thereon, in accordance with this Escrow Agreement, until such moneys and such securities, if any, are used and applied as provided in this Escrow Agreement.

SECTION 6. Resignation and Removal of Escrow Agent. The Escrow Agent may at any time resign and be discharged of the duties and obligations hereunder by giving at least thirty (30) days written notice to the City. The Escrow Agent may be removed at any time by an instrument in writing signed by the City. In either such event, the City shall appoint a successor escrow agent by an instrument in writing. Any such resignation or removal shall become effective upon acceptance of appointment of a successor escrow agent. If the City does not appoint a successor within 60 days of the resignation or removal, the Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Escrow Agent.

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

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

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



transactions contemplated hereby other than to each other as set forth in this Section 9. The indemnities contained in this Section 9 shall survive the termination of this Escrow Agreement and the resignation or removal of the Escrow Agent.

SECTION 10. Responsibilities of Escrow Agent.

(a) Liability of Escrow Agent. The Escrow Agent and its employees and agents shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the acceptance of the funds and securities deposited therein, the purchase of the Federal Securities, if any, the retention of the Federal Securities or the proceeds thereof, if any, the sufficiency of the Federal Securities, if any, to pay the Refunded 2003 Bonds or any payment, transfer or other application of moneys or obligations by the Escrow Agent in accordance with the provisions of this Escrow Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Agent made in good faith in the conduct of its duties. The recitals of fact contained in the "Whereas" clauses herein shall be taken as the statements of the City, and the Escrow Agent assumes no responsibility for the correctness thereof. The Escrow Agent makes no representation as to the sufficiency of the Federal Securities, if any, to accomplish the refunding of the Refunded 2003 Bonds or to the validity of this Escrow Agreement as to the City and, except as otherwise provided herein, the Escrow Agent shall incur no liability in respect thereof. The Escrow Agent shall not be liable in connection with the performance of its duties under this Escrow Agreement except for its own negligence or willful misconduct, and the duties and obligations of the Escrow Agent shall be determined by the express provisions of this Escrow Agreement. The Escrow Agent may consult with counsel, who may or may not be counsel to the City, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any reasonable action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Escrow Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the City. Notwithstanding anything in this Escrow Agreement to the contrary, in no event shall the Escrow Agent be liable for special, indirect or consequential loss or damage (including but not limited to lost profits), even if the Escrow Agent has been advised of such loss or damage and regardless of the form of action.

The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees.

The Escrow Agent agrees to accept and act upon instructions or directions pursuant to this Escrow Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Escrow Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the City elects to give the Escrow Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Agent in its discretion elects to act upon such instructions, the Escrow Agent's understanding of such instructions shall be deemed controlling.

The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The City agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

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

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

SECTION 11. Amendments. This Escrow Agreement is made for the benefit of the City and the owners from time to time of the Refunded 2003 Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such owners, the Escrow Agent and the City; provided, however, that the City and the Escrow Agent may, without the consent of, or notice to, such owners, amend this Escrow Agreement or enter into such agreements supplemental to this Escrow Agreement as shall not adversely affect the rights of such owners and as shall not be contrary to the terms and provisions of this Escrow Agreement or the Fiscal Agent Agreement, for any of the following purposes: (i) to cure any ambiguity or defect or omission in this Escrow Agreement; (ii) to include under this Escrow Agreement additional funds or securities; or (iii) to effect any other change to this Escrow Agreement provided that such change does not materially adversely affect the interests of the owners of the Refunded 2003 Bonds. The Escrow Agent shall be entitled to rely conclusively upon an unqualified opinion of nationally recognized bond counsel with respect to compliance with this Section 11, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the owners of the Refunded 2003 Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section 11.

SECTION 12. Term. This Escrow Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of (i) the date upon which the Refunded 2003 Bonds have been paid in accordance with this Escrow Agreement or (ii) the date upon which no unclaimed moneys remain on deposit with the Escrow Agent pursuant to Section 5(c) of this Escrow Agreement.

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

Fund, for the payment of fees and expenses for services rendered or expenses incurred by the Escrow Agent under this Escrow Agreement.

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

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

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

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

[Remainder of page intentionally left blank.]

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

CITY OF PASADENA, CALIFORNIA

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

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

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

**EXHIBIT A**

**REFUNDED 2003 BONDS**

The Refunded 2003 Bonds have the maturity dates and CUSIP numbers as set forth below:

<u>Maturity (June 1)</u>	<u>Principal Amount Outstanding</u>	<u>Interest Rate</u>	<u>CUSIP Number</u>	<u>Bond Number</u>
2014	\$515,000	4.125%	702248KT1	R-11
2015	535,000	4.250	702248KU8	R-12
2016	555,000	4.375	702248KV6	R-13
2017	580,000	4.500	702248KW4	R-14
2018	605,000	4.600	702248KX2	R-15
2019	635,000	4.700	702248KY0	R-16
2020	665,000	4.750	702248KZ7	R-17
2021	695,000	4.750	702248LA1	R-18
2022	730,000	4.875	702248LB9	R-19

**EXHIBIT B**

**REQUIREMENTS OF THE REFUNDED 2003 BONDS**

<u>Date</u>	<u>Interest</u>	<u>Principal Redeemed</u>	<u>Redemption Premium</u>	<u>Total Requirements</u>
12/01/12	\$	--	--	
06/01/13		\$	--	

**EXHIBIT C**

**FEDERAL SECURITIES**

**UNITED STATES TREASURY SECURITIES**

<u>Type</u>	<u>Maturity Date</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Cost</u>	<u>Accrued Interest</u>	<u>Total Cost</u>
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Total

## EXHIBIT D

### NOTICE OF REDEMPTION

#### CITY OF PASADENA, CALIFORNIA ELECTRIC REVENUE BONDS, 2003 SERIES

NOTICE IS HEREBY GIVEN to the owners of the above-captioned bonds that the outstanding bonds maturing on and after June 1, 2014 as specified in the table below (the "Refunded 2003 Bonds") of the CITY OF PASADENA, CALIFORNIA (the "City"), issued on August 21, 2003 pursuant to the Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 1998, as amended and supplemented, by and between the City and The Bank of New York Mellon Trust Company, N.A., as successor fiscal agent (the "Fiscal Agent"), have been called for redemption on June 1, 2013 (the "Redemption Date").

The Refunded 2003 Bonds so called for redemption on the Redemption Date are numbered and mature as set forth below:

<u>Maturity (June 1)</u>	<u>Principal Amount Outstanding</u>	<u>Interest Rate</u>	<u>CUSIP Number</u>	<u>Bond Number</u>
2014	\$515,000	4.125%	702248KT1	R-11
2015	535,000	4.250	702248KU8	R-12
2016	555,000	4.375	702248KV6	R-13
2017	580,000	4.500	702248KW4	R-14
2018	605,000	4.600	702248KX2	R-15
2019	635,000	4.700	702248KY0	R-16
2020	665,000	4.750	702248KZ7	R-17
2021	695,000	4.750	702248LA1	R-18
2022	730,000	4.875	702248LB9	R-19

Owners of the Refunded 2003 Bonds must present and surrender the Refunded 2003 Bonds on the Redemption Date at the applicable address of the Fiscal Agent set forth below:

First Class/Registered/Certified:

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

Express Delivery Only:

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

By Hand Only:

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



On June 1, 2013, the Refunded 2003 Bonds will be payable at a redemption price of 100% of the principal amount thereof, together with accrued interest thereon, and from and after June 1, 2013 interest on the Refunded 2003 Bonds will not accrue.

**Important Notice**

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

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

DATED: \_\_\_\_\_, 2013

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

## EXHIBIT E

### NOTICE OF DEFEASANCE

#### CITY OF PASADENA, CALIFORNIA ELECTRIC REVENUE BONDS, 2003 SERIES

NOTICE IS HEREBY GIVEN to the owners of the above-captioned bonds maturing on and after June 1, 2014 as specified in the table below (the "Refunded 2003 Bonds") of the CITY OF PASADENA, CALIFORNIA (the "City") that the City has deposited with The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "Escrow Agent") for the Refunded 2003 Bonds, cash and/or direct obligations of the United States of America (including obligations held or issued in book-entry form on the books of the Department of the Treasury of the United States of America and CATS and TIGRS) or obligations the timely payment of the principal of and interest on which are fully guaranteed by the United States of America and otherwise satisfying the criteria set forth in Section 9.03 of the Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 1998, by and between the City and The Bank of New York Mellon Trust Company, N.A., as successor fiscal agent, as amended and supplemented (the "Fiscal Agent Agreement") pursuant to which the Refunded 2003 Bonds were issued, the principal of and interest on which when due, together with amounts held as cash, will provide moneys sufficient to pay the interest to become due on the Refunded 2003 Bonds to and including June 1, 2013 and to redeem on June 1, 2013, the Refunded 2003 Bonds at a redemption price equal to 100% of the principal amount thereof. In accordance with the Fiscal Agent Agreement, the pledge of the Net Income and other assets made under the Fiscal Agent Agreement in respect of the Refunded 2003 Bonds shall cease, terminate and be completely discharged and satisfied, and all payments of interest on, any redemption premium, and principal of the Refunded 2003 Bonds shall be paid only from moneys on deposit with the Escrow Agent and available as aforesaid.

#### REFUNDED 2003 BONDS

<u>Maturity (June 1)</u>	<u>Principal Amount Outstanding</u>	<u>Interest Rate</u>	<u>CUSIP Number</u>	<u>Bond Number</u>
2014	\$515,000	4.125%	702248KT1	R-11
2015	535,000	4.250	702248KU8	R-12
2016	555,000	4.375	702248KV6	R-13
2017	580,000	4.500	702248KW4	R-14
2018	605,000	4.600	702248KX2	R-15
2019	635,000	4.700	702248KY0	R-16
2020	665,000	4.750	702248KZ7	R-17
2021	695,000	4.750	702248LA1	R-18
2022	730,000	4.875	702248LB9	R-19

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

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

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

PROPOSED FORM OF  
CONTINUING DISCLOSURE AGREEMENT

## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”), dated as of October 1, 2012, is executed and delivered by the City of Pasadena (the “Issuer”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

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

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

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

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

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

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

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

“Disclosure Representative” means the Director of Finance of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent

from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

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

“Failure to File Event” means the Issuer’s failure to file an Annual Report on or before the Annual Filing Date.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Fiscal Agent” means The Bank of New York Mellon Trust Company, N.A., as successor fiscal agent under that Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 1998, by and between the Issuer and the Fiscal Agent, as amended and supplemented, including as amended and supplemented by the Seventh Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of October 1, 2012, by and between the Issuer and the Fiscal Agent, relating to Bonds.

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

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

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

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond

insurance, letters of credit, or other liquidity facilities). With respect to the Bonds, only the Issuer constitutes the Obligated Person.

“Official Statement” means that Official Statement dated October \_\_, 2012 prepared by the Issuer in connection with the Bonds, as listed on Appendix A.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

## SECTION 2. Provision of Annual Reports and Other Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Fiscal Agent, not later than 30 days prior to the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than 185 days after the end of the Issuer’s Fiscal Year (presently June 30), commencing with the report for Fiscal Year 2011-12. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

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

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 12:00 p.m. on the first business day following the Annual Filing Date for the Annual Report, a Notice Event described in Section 4(a)(12) shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately provide a notice to the MSRB in substantially the form attached as Exhibit B.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a

timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Fiscal Agent, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;

upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

- 1. "Principal and interest payment delinquencies;"
- 2. "Non-Payment related defaults, if material;"
- 3. "Unscheduled draws on debt service reserves reflecting financial difficulties;"
- 4. "Unscheduled draws on credit enhancements reflecting financial difficulties;"
- 5. "Substitution of credit or liquidity providers, or their failure to perform;"
- 6. "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
- 7. "Modifications to rights of securities holders, if material;"
- 8. "Bond calls, if material;"
- 9. "Defeasances;"
- 10. "Release, substitution, or sale of property securing repayment of the securities, if material;"
- 11. "Rating changes;"
- 12. "Tender offers;"
- 13. "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
- 14. "Merger, consolidation, or acquisition of the obligated person, if material;" and



15. "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
- (iv) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;
  - (v) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
    1. "amendment to continuing disclosure undertaking;"
    2. "change in obligated person;"
    3. "notice to investors pursuant to bond documents;"
    4. "certain communications from the Internal Revenue Service;"
    5. "secondary market purchases;"
    6. "bid for auction rate or other securities;"
    7. "capital or other financing plan;"
    8. "litigation/enforcement action;"
    9. "change of tender agent, remarketing agent, or other on-going party;"
    10. "derivative or other similar transaction;" and
    11. "other event-based disclosures;"
  - (vi) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:
    1. "quarterly/monthly financial information;"
    2. "change in fiscal year/timing of annual disclosure;"
    3. "change in accounting standard;"
    4. "interim/additional financial information/operating data;"
    5. "budget;"

6. “investment/debt/financial policy;”
  7. “information provided to rating agency, credit/liquidity provider or other third party;”
  8. “consultant reports;” and
  9. “other financial/operating data.”
- (vii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

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

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

### SECTION 3. Content of Annual Reports.

- (a) The Issuer’s Annual Report shall contain or include by reference the following:
- (i) The Issuer’s annual Comprehensive Annual Financial Report (the “CAFR”) which shall include the audited financial statements of the Issuer’s Light and Power Fund for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Issuer’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 2(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available;
  - (ii) Pasadena Water and Power’s most recently published Annual Report, not previously filed with the MSRB;
  - (iii) Updated information comparable to the information in the following tables as they appear in the Official Statement relating to the Bonds:
    1. Table 3 entitled “TOTAL POWER GENERATED AND PURCHASED: PEAK DEMAND (MWh);”

2. Table 4 entitled "POWER SUPPLY RESOURCES;"
3. Table 7 entitled "CUSTOMERS, ENERGY SALES AND REVENUES;"
4. Table 9 entitled "OUTSTANDING DEBT OF JOINT ACTION AGENCIES;" and
5. Table 10 entitled "HISTORICAL OPERATING RESULTS AND DEBT SERVICE COVERAGE;"

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

Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) Reporting of Notice Events.

The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

**Note to subsection (a)(12) of this Section 4:** For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Issuer shall, in a timely manner not in excess of ten business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of

this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

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

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the Issuer shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

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

SECTION 7. Voluntary Filings.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

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

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

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

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

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

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have

no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Issuer at all times.

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

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The fees and expenses of such counsel shall be payable by the Issuer.

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

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer nor the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

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

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

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

*[Remainder of page intentionally left blank.]*



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

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

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

CITY OF PASADENA, CALIFORNIA,  
as Issuer

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

**EXHIBIT A**

**NAME AND CUSIP NUMBERS OF BONDS**

Name of Issuer City of Pasadena, California  
Obligated Person(s) City of Pasadena, California  
Name of Bond Issue: \$\_\_\_\_\_ Electric Revenue Refunding Bonds, 2012A Series  
Date of Issuance: \_\_\_\_\_, 2012  
Date of Official Statement: \_\_\_\_\_, 2012

CUSIP Number:  
CUSIP Number:  
CUSIP Number:  
CUSIP Number:  
CUSIP Number:  
CUSIP Number:

CUSIP Number:  
CUSIP Number:  
CUSIP Number:  
CUSIP Number:  
CUSIP Number:

**EXHIBIT B**

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

Issuer: City of Pasadena, California  
Obligated Person: City of Pasadena, California  
Name of Bond Issue: \$ \_\_\_\_\_ Electric Revenue Refunding Bonds, 2012A Series  
Date of Issuance: \_\_\_\_\_, 2012

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement, dated as of October 1, 2012, between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_ DIGITAL ASSURANCE CERTIFICATION, L.L.C.,  
on behalf of the City of Pasadena, California

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

cc: Director of Finance, City of Pasadena