

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE CITY OF PASADENA AUTHORIZING THE ISSUANCE BY THE CITY OF NOT TO EXCEED \$140,000,000 AGGREGATE PRINCIPAL AMOUNT OF CITY OF PASADENA ELECTRIC REVENUE/REFUNDING BONDS, 2016A SERIES, PAYABLE OUT OF THE LIGHT AND POWER FUND, AND APPROVING THE EXECUTION AND DELIVERY OF A NINTH SUPPLEMENT TO ELECTRIC REVENUE BOND FISCAL AGENT AGREEMENT, AN ESCROW AGREEMENT AND A CONTINUING DISCLOSURE AGREEMENT IN CONNECTION THEREWITH**

WHEREAS, pursuant to Article XIV of the Charter (the "Charter") of the City of Pasadena (the "City"), the City Council of the City (the "City Council") is authorized to provide for the issuance of revenue bonds for the purpose of providing moneys for the acquisition and construction of additions to, extensions, improvements, or repairs of the electric works of the City, or the purchase for intertie purposes of undivided joint interests or rights of use in other generation or transmission facilities, constructed either by governmental agencies or investor-owned companies, or for the purpose of refunding any revenue bonds issued for such purposes, by ordinance authorizing the issuance of such revenue bonds; and

WHEREAS, the City has heretofore authorized and issued \$58,555,000 principal amount of its City of Pasadena, California Electric Revenue Bonds, 2008 Series (the "2008 Bonds"), of which \$48,615,000 principal amount are outstanding and unpaid, which 2008 Bonds were issued for the purpose of providing moneys (i) to finance the costs of acquisition and construction of certain improvements to the Electric System of the City and (ii) to pay costs of issuance of the 2008 Bonds; and

WHEREAS, the City has heretofore entered into a Credit Agreement, dated as of February 1, 2015, pursuant to which Bank of America, N.A. provided a non-revolving line of credit (the "Line of Credit") that the City has drawn down from time-to-time to finance certain improvements to the Electric System; and

WHEREAS, pursuant to Article XIV of the Charter, the City now proposes to issue its Electric Revenue/Refunding Bonds, 2016A Series (the "2016A Bonds") pursuant to the Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 1998 (the "Master Fiscal Agent Agreement"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as successor fiscal agent (the "Fiscal Agent"), as amended and supplemented, including as amended and supplemented by a Ninth Supplement to Electric Revenue Bond Fiscal Agent Agreement, by and between the City and the Fiscal Agent (the Master Fiscal Agent Agreement as so amended and supplemented hereinafter, the "Fiscal Agent Agreement"), in order (i) to refund a portion of the outstanding 2008 Bonds (such bonds to be refunded, collectively, the "Refunded Bonds"), (ii) to pay the Line of Credit, (iii) to finance the costs of acquisition and construction of certain improvements to the Electric System of the City (the "Improvements"), (iv) to fund a deposit to the parity reserve fund, and (v) to pay costs of issuance of the 2016A Bonds, said 2016A Bonds not to constitute an indebtedness of the City but to constitute obligations which shall be payable as to both principal and interest, and any premiums upon the

redemption of any thereof prior to maturity, only from the Light and Power Fund of the City and certain other funds as provided in the Fiscal Agent Agreement; and this Ordinance is for the purpose of authorizing the issuance of such 2016A Bonds.

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

Section 1. Authorization to Issue 2016A Bonds; Purpose; Principal Amount.

(a) Pursuant to Article XIV of the Charter, the City Council does hereby authorize to be issued, upon the terms and conditions as hereinafter set forth, the 2016A Bonds in the aggregate principal amount of not to exceed \$140,000,000 for the primary purpose of refunding the Refunded Bonds, paying the Line of Credit, financing the Improvements, funding a deposit to the parity reserve fund in connection therewith and paying the costs and expenses incidental to the issuance of the 2016A Bonds.

(b) This Ordinance shall constitute complete authority to issue the 2016A Bonds pursuant to the Fiscal Agent Agreement as provided herein.

Section 2. Issuance of 2016A Bonds. The 2016A Bonds shall be issued pursuant to and in accordance with the terms and conditions set forth in this Ordinance, and more specifically in the Fiscal Agent Agreement, including the Ninth Supplement.

Section 3. Date of Issuance; Interest Rates for the 2016A Bonds. The 2016A Bonds shall be dated their date of delivery. The interest rates to be payable on the 2016A Bonds shall not exceed such rates as will result in a true interest cost to the City of greater than five percent (5.0%) for the 2016A Bonds.

Section 4. Maturity Dates. The maximum term for the 2016A Bonds shall not exceed thirty (30) years. Subject to the preceding sentence, the 2016A Bonds shall mature and be payable on such dates as specifically set forth in the Ninth Supplement described in Section 6 hereof.

Section 5. Source of Payment. The 2016A Bonds shall not constitute an indebtedness of the City but shall constitute obligations which shall be payable as to both principal and interest, and any premiums upon the redemption of any thereof prior to maturity, only from the Light and Power Fund of the City, as provided in Article XIV of the Charter, and certain other funds as authorized by Article XIV and provided in the Fiscal Agent Agreement.

Section 6. Approval of Ninth Supplement. In order to prescribe the terms and conditions upon which the 2016A Bonds are to be issued, secured, executed, authenticated and held, the Ninth Supplement proposed to be executed and entered into by the City and the Fiscal Agent, in substantially the form attached hereto as Exhibit A, is hereby approved, and the Director of Finance (or, in the absence of the Director of Finance, his designee) is hereby authorized and directed, for and in the name and on behalf of the City, to execute, and the City Clerk is authorized to affix the official seal of the City to, and deliver the Ninth Supplement in substantially such form, with such changes (including, without limitation, such changes as may be requested by rating agencies providing ratings on the 2016A Bonds) as may be approved by the Director of Finance (or, in the absence of the Director of Finance, his designee), acting on

behalf of the City, subject to advice of counsel, such execution thereof to constitute conclusive evidence of the approval of the City of all changes from the form of the Ninth Supplement presented to this meeting.

Section 7. Escrow Agreement. An Escrow Agreement relating to the Refunded Bonds proposed to be executed and entered into by and between the City and The Bank of New York Mellon Trust Company, N.A., as the Escrow Agent, in substantially the form attached hereto as Exhibit B, is hereby approved, and the Director of Finance (or, in the absence of the Director of Finance, his designee) is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Escrow Agreement in substantially said form, with such changes as may be approved by the Director of Finance (or, in the absence of the Director of Finance, his designee), acting on behalf of the City, subject to advice of counsel, such execution thereof to constitute conclusive evidence of the approval of the City of all changes from the form of the Escrow Agreement presented to this meeting.

Section 8. Continuing Disclosure Agreement. The Continuing Disclosure Agreement, proposed to be executed and entered into by and between the City and the Digital Assurance Certification, L.L.C., in substantially the form attached hereto as Exhibit C is hereby approved, and the Director of Finance (or, in the absence of the Director of Finance, his designee) is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Continuing Disclosure Agreement in substantially said form, with such changes as may be approved by the Director of Finance (or, in the absence of the Director of Finance, his designee), acting on behalf of the City, subject to advice of counsel, such execution thereof to constitute conclusive evidence of the approval of the City of all changes from the form of the Continuing Disclosure Agreement presented to this meeting.

Section 9. Official Action. All actions heretofore taken by the officers and agents of the City with respect to the issuance of the 2016A Bonds and the negotiation and execution of said agreements are hereby approved, confirmed and ratified. The City Manager, the Director of Finance, the City Treasurer, the City Clerk and any and all other officers of the City are hereby authorized and directed, for and in the name and on behalf of the City to do any and all things and take any and all actions, including, without limitation, the execution and delivery of any and all certificates, requisitions, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the issuance, sale and delivery of the 2016A Bonds pursuant to the agreements described herein.

Section 10. Provisions Necessary and Desirable. The provisions of this Ordinance are deemed necessary and desirable to facilitate the issuance and sale of the 2016A Bonds authorized by this Ordinance.

Section 11. Publication. The City Clerk shall certify to the adoption of this Ordinance and shall cause this Ordinance to be published by title and summary.

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

Signed and approved this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Mayor of the City of Pasadena, California

I HEREBY CERTIFY that the foregoing Ordinance was adopted by the City Council of the City of Pasadena at its regular meeting held \_\_\_\_\_, 2016, by the following vote:

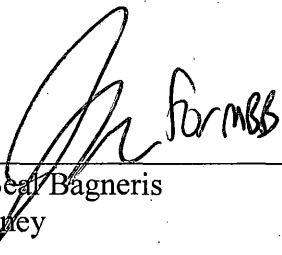
Ayes: \_\_\_\_\_

Noes: \_\_\_\_\_

Absent: \_\_\_\_\_

Published: \_\_\_\_\_, 2016, \_\_\_\_\_

APPROVED AS TO FORM:



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Michele Beal Bagneris  
City Attorney

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Mark Jomsky  
City Clerk

APPROVED AS TO FORM:



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Danny Kim, Partner  
Norton Rose Fulbright US LLP  
Bond Counsel

EXHIBIT A

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

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NINTH SUPPLEMENT TO  
ELECTRIC REVENUE BOND FISCAL AGENT AGREEMENT

by and between

CITY OF PASADENA, CALIFORNIA

and

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

RELATING TO CITY OF PASADENA, CALIFORNIA  
ELECTRIC REVENUE/REFUNDING BONDS, 2016A SERIES

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Dated as of \_\_\_\_\_ 1, 2016

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

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EXHIBIT A – FORM OF BOND



NINTH SUPPLEMENT TO  
ELECTRIC REVENUE BOND FISCAL AGENT AGREEMENT

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

Authorizing the Issuance of  
\$ \_\_\_\_\_ Aggregate Principal Amount of  
City of Pasadena, California  
Electric Revenue/Refunding Bonds, 2016A Series

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This NINTH SUPPLEMENT TO ELECTRIC REVENUE BOND FISCAL AGENT AGREEMENT, dated as of \_\_\_\_\_ 1, 2016 (the "Ninth Supplement"), is by and between the CITY OF PASADENA, CALIFORNIA (the "City"), a municipal corporation and chartered city duly organized and existing under the Constitution and laws of the State of California, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association duly organized and validly existing under the laws of the United States of America, as successor to BNY Western Trust Company, as fiscal agent (the "Fiscal Agent").

W I T N E S S E T H:

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

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

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

WHEREAS, as authorized by Ordinance No. 6960 of the City, adopted on August 3, 1998, the City has heretofore issued its \$70,635,000 principal amount of City of Pasadena, California Electric Revenue/Refunding Bonds, 1998 Series (the "1998 Bonds"), pursuant to the Master Fiscal Agent Agreement, as supplemented by the First Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 1998, by and between the City and the Fiscal Agent or its predecessor in interest;

WHEREAS, as authorized by Ordinance No. 6902 of the City, adopted on July 1, 2002, the City has heretofore issued its \$82,320,000 principal amount of City of Pasadena, California Electric Revenue Bonds, 2002 Series (the "2002 Bonds"), pursuant to the Master Fiscal Agent Agreement, as previously supplemented and as supplemented by the Second Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of July 1, 2002, by and between the City and the Fiscal Agent or its predecessor in interest;

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

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

WHEREAS, as authorized by Ordinance No. 7177 of the City, adopted on September 21, 2009, the City has heretofore issued its \$40,655,000 principal amount of City of Pasadena, California Electric Revenue Refunding Bonds, 2009 Series, pursuant to the Master Fiscal Agent Agreement, as previously amended and supplemented and as amended and supplemented by the Fifth Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of November 1, 2009, by and between the City and the Fiscal Agent;

WHEREAS, as authorized by Ordinance No. 7192 of the City, adopted on June 7, 2010, the City has heretofore issued its \$36,320,000 principal amount of City of Pasadena, California Electric Revenue Refunding Bonds, 2010A Series, pursuant to the Master Fiscal Agent Agreement, as previously amended and supplemented and as amended and supplemented by the Sixth Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of July 1, 2010, by and between the City and the Fiscal Agent;

WHEREAS, as authorized by Ordinance No. 7224 of the City, adopted on August 13, 2012, the City has heretofore issued its \$11,780,000 principal amount of City of Pasadena, California Electric Revenue Refunding Bonds, 2012A Series, pursuant to the Master Fiscal Agent Agreement, as previously amended and supplemented and 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 City and the Fiscal Agent;

WHEREAS, as authorized by Ordinance No. 7233 of the City, adopted on October 7, 2013, the City has heretofore issued its \$80,485,000 principal amount of City of Pasadena, California Electric Revenue/Refunding Bonds, 2013A Series, pursuant to the Master Fiscal Agent Agreement, as previously amended and supplemented and as amended and supplemented

by the Eighth Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of November 1, 2013, by and between the City and the Fiscal Agent;

WHEREAS, as authorized by Ordinance No. 7245 of the City, adopted on July 14, 2014, the City has heretofore entered into a Credit Agreement, dated as of February 1, 2015, pursuant to which Bank of America, N.A. provided a non-revolving line of credit (the "Line of Credit") that the City has drawn down from time-to-time to finance certain improvements to the Electric System;

WHEREAS, the 1998 Bonds, the 2002 Bonds and the 2003 Bonds have been paid in full;

WHEREAS, as authorized by Ordinance No. \_\_\_\_\_ of the City, adopted on \_\_\_\_\_, 2016, the City now proposes to issue its not to exceed \$\_\_\_\_\_ principal amount of City of Pasadena, California Electric Revenue/Refunding Bonds, 2016A Series (the "2016A Bonds"), pursuant to the Master Fiscal Agent Agreement, as previously amended and supplemented and as amended and supplemented by this Ninth Supplement (the Master Fiscal Agent Agreement as from time to time amended and supplemented being referred to as the "Fiscal Agent Agreement"), in order to refund a portion of the outstanding 2008 Bonds, to pay in full the outstanding amount owed under the Line of Credit, to finance the costs of acquisition and construction of certain improvements to the Electric System of the City (the "Improvements"), to fund a deposit to the Parity Reserve Fund, and to pay Costs of Issuance of the 2016A Bonds, said 2016A Bonds not to constitute an indebtedness of the City but to constitute obligations which shall be payable as to both principal and interest, and any premiums upon the redemption thereof prior to maturity (if applicable), only from the Light and Power Fund of the City and certain other funds as provided in the Fiscal Agent Agreement;

WHEREAS, the City Council has determined that it is necessary and desirable that the City enter into this Ninth Supplement in order to establish and declare, in conjunction with the Fiscal Agent Agreement, the terms and conditions upon which the 2016A Bonds shall be issued; and

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

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

## ARTICLE XX

### 2016A BONDS

SECTION 20.01 Definitions. The terms defined in this Section shall, for all purposes of this Ninth Supplement and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and

plural forms of any of the terms herein defined. Terms defined in the Fiscal Agent Agreement not otherwise defined herein shall have the meanings specified therein.

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

“Escrow Agreement” means the Escrow Agreement relating to the defeasance and redemption of the refunded 2008 Bonds, dated as of \_\_\_\_\_ 1, 2016, by and between the City and the Escrow Agent.

“Improvements” means the improvements to the City’s Electric System to be financed in whole or in part with the proceeds of the sale of the 2016A Bonds.

“Information Services” means the Electronic Municipal Market Access database designated by the Municipal Securities Rulemaking Board at [www.emma.msrb.org](http://www.emma.msrb.org), or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to the called Bonds as the City may designate.

“Interest Payment Date” means, with respect to the 2016A Bonds, June 1 and December 1 of each year, commencing June 1, 2017.

“Ordinance” means Ordinance No. \_\_\_\_\_ of the City, adopted on \_\_\_\_\_, 2016, authorizing the issuance of the 2016A Bonds, and providing certain terms and conditions for the issuance of the 2016A Bonds.

“Original Purchaser” means \_\_\_\_\_, as the original purchaser of the 2016A Bonds.

“2016A Bonds” means any or all, as the case may be, of the City of Pasadena, California Electric Revenue/Refunding Bonds, 2016A Series, as described in Section 20.02 and 20.03 hereof.

SECTION 20.02      Authorization.

(A) A ninth Series of Bonds to be issued under the Fiscal Agent Agreement is hereby created. Such Series shall be known as the “City of Pasadena, California Electric Revenue/Refunding Bonds, 2016A Series.” The 2016A Bonds shall be issued in the aggregate principal amount of \$ \_\_\_\_\_ in accordance with the City Charter, the Ordinance and the Fiscal Agent Agreement for the purpose of (i) refunding a portion of the outstanding principal amount of the 2008 Bonds, (ii) paying in full the outstanding amount owed under the Line of Credit, (iii) financing the Improvements, (iv) funding a deposit to the Parity Reserve Fund, and (v) paying the Costs of Issuance of the 2016A Bonds.

(B) The 2016A Bonds shall be issued in fully registered form and shall be initially issued registered in the name of “Cede & Co.,” as nominee of The Depository Trust Company. The 2016A Bonds shall be evidenced by one 2016A Bond maturing on each of the maturity dates as set forth in Section 20.03 in a denomination corresponding to the total principal amount of the

2016A Bonds of such maturity. The Fiscal Agent may assign a distinctive number or letter and number, and a record of the same shall be maintained by the Fiscal Agent for each 2016A Bond. Registered ownership of the 2016A Bonds, or any portion thereof, may not thereafter be transferred except as set forth in the Fiscal Agent Agreement.

SECTION 20.03 Terms of 2016A Bonds. The 2016A Bonds shall be issued in denominations of \$5,000 principal amount or any integral multiple thereof. The 2016A Bonds shall be dated their date of delivery, and shall mature on June 1 in the years and in the principal amounts and shall bear interest at the rates set forth below:

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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The 2016A Bonds shall be Current Interest Indebtedness. Each 2016A Bond shall bear interest until the principal sum thereof has been paid; provided, however, that if, at the maturity date of any 2016A Bond, or if the same is redeemable prior to maturity and has been duly called for redemption (if applicable), funds are available for the payment or redemption (if applicable) thereof in accordance with the terms of this Ninth Supplement, the 2016A Bond shall then cease to bear interest. The principal of and premium, if any, on the 2016A Bonds shall be payable in lawful money of the United States of America by the Fiscal Agent upon presentation and surrender thereof.

Interest with respect to any 2016A Bond shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless such date of authentication is during the period from a Record Date to and including the next succeeding Interest Payment Date, in which case interest with respect thereto shall be payable from such Interest Payment Date, or unless such date of authentication is prior to the Record Date for the first Interest Payment Date, in which case interest with respect thereto shall be payable from the date of delivery of the 2016A Bonds; provided, however, that if at the time of authentication of any 2016A Bond, interest with respect thereto is in default, interest with respect thereto shall be payable from the Interest Payment Date to which interest has previously been paid. Interest on the 2016A Bonds shall be calculated on the basis of a 360-day year comprised of twelve 30-day months. Payment of interest with respect to any 2016A Bond shall be made to the person appearing on the Bond Register as the Owner thereof as of the Record Date, such interest to be paid by check or draft of the Fiscal Agent, payable in lawful money of the United States of America and mailed on each Interest Payment Date to such Owner at its address as it appears on the Bond Register; provided, that in the case of an Owner of \$1,000,000 or more in aggregate principal amount of 2016A Bonds, upon written request of such Owner delivered to the Fiscal Agent not less than 20 days prior to any Interest Payment Date, such interest shall be paid in immediately available funds by wire transfer to an account specified by the Owner in such written request on the following Interest Payment Date.

So long as the 2016A Bonds are maintained in book-entry form, payments of principal, premium, if any, and interest shall be made by the Fiscal Agent to the Securities Depository by wire transfer.

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

SECTION 20.04 Form of 2016A Bonds and Certificate of Authentication. The 2016A Bonds and the certificate of authentication shall be substantially in the form set forth in Exhibit A hereto with necessary or appropriate variations, omissions and insertions, as permitted or required by this Ninth Supplement.

SECTION 20.05 Disposition of Proceeds. The disposition of proceeds of the 2016A Bonds shall be as follows:

- (a) There is hereby established a separate fund in the City Treasury for the purpose of assuring the application of certain proceeds received from the sale of the 2016A Bonds to the purposes set forth in Section 20.02 hereof, which separate fund is hereby designated as "ELECTRIC REVENUE/REFUNDING BONDS, 2016A SERIES, PROCEEDS/CONSTRUCTION FUND" (the "2016A Electric Bonds Proceeds Fund"). There are hereby established within the 2016A Electric Bonds Proceeds Fund (i) a separate account hereby designated as the "2016A Electric Bonds Construction Account"; and (ii) a separate account hereby designated as the "2016A Electric Bonds Costs of Issuance Account."

(b) The Director of Finance shall, immediately upon receiving such proceeds of the sale of the 2016A Bonds, place in the 2016A Electric Bonds Proceeds Fund all sums received upon such sale less (i) the amount of \$ \_\_\_\_\_ which shall be transferred by the Original Purchaser directly to the Escrow Agent on behalf of the City to be applied as provided in the Escrow Agreement, and (ii) the amount of \$ \_\_\_\_\_ which shall be transferred by the Original Purchaser directly to the Line of Credit provider on behalf of the City representing the amount owed under the Line of Credit, such amount being placed in the 2016A Electric Bonds Proceeds Fund being \$ \_\_\_\_\_ (which shall include the Good Faith Deposit previously received by the City from the Original Purchaser). Immediately upon placing such proceeds in the 2016A Electric Bonds Proceeds Fund, the Director of Finance shall transfer to the Parity Reserve Fund the amount of \$ \_\_\_\_\_, which, together with the amounts on deposited therein or credited thereto; is an amount at least equal to the Reserve Fund Requirement. The Director of Finance shall further, immediately upon placing such proceeds of the sale of the 2016A Bonds in the 2016A Electric Bonds Proceeds Fund, place (i) in the 2016A Electric Bonds Construction Account the amount of \$ \_\_\_\_\_ and (ii) in the 2016A Electric Bonds Costs of Issuance Account the balance of such proceeds of the sale of the 2016A Bonds in the amount of \$ \_\_\_\_\_.

(c) The moneys deposited in the 2016A Electric Bonds Costs of Issuance Account shall be expended from time to time to pay Costs of Issuance. If any amount shall remain in the 2016A Electric Bonds Costs of Issuance Account when all Costs of Issuance have been paid (but in any event not later than six months following the date of issuance and delivery of the 2016A Bonds), such amount shall be transferred by the Director of Finance to the 2016A Electric Bonds Construction Account.

(d) The money set aside and placed in the 2016A Electric Bonds Construction Account shall remain therein until from time to time expended for the objects and purposes set forth herein, and to pay the Costs of Issuance not paid from the 2016A Electric Bonds Costs of Issuance Account. Amounts in the 2016A Electric Bonds Construction Account, if any, and the 2016A Electric Bonds Costs of Issuance Account may be temporarily invested by the City in Investment Securities, and such proceeds and the interest thereon shall be applied exclusively to the objects and purposes set forth in this Ninth Supplement; provided, however, that in accordance with subsection (D) of Section 1414 of Article XIV of the Charter, (1) the Light and Power Fund may be reimbursed from the 2016A Electric Bonds Construction Account for expenditures for purposes for which the 2016A Bonds were issued made from the Light and Power Fund, and (2) when the objects and purposes for which the 2016A Bonds were issued have been accomplished, any remaining unexpended funds in the 2016A Electric Bonds Construction Account or the 2016A Electric Bonds Costs of Issuance Account shall be transferred to the Parity Obligation Payment Fund. Any such amounts transferred to the Parity Obligation Payment Fund may be temporarily invested by the City in Investment Securities after consultation with Bond Counsel regarding yield restriction limitations with respect to such investment.

SECTION 20.06 Redemption of 2016A Bonds. The 2016A Bonds shall be subject to the following redemption provisions:

(a) *Optional Redemption.* The 2016A Bonds maturing prior to June 1, 20\_\_\_, are not subject to call and redemption prior to maturity. The 2016A Bonds maturing on or after June 1, 20\_\_\_, are subject to call and redemption prior to maturity, at the option of the City, as a whole or in part, on June 1, 20\_\_\_, or on any date thereafter, in any order of maturity and by lot within a single maturity, from funds derived by the City from any legal source, at a redemption price equal to the principal amount of the 2016A Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.

(b) *Mandatory Redemption of 2016A Term Bonds.* The 2016A Bonds maturing on June 1, 20\_\_\_ shall be subject to mandatory sinking fund redemption in part at par, and by lot, from mandatory sinking account payments set aside in the Parity Obligation Payment Fund for such purpose, on June 1 of the years and in the amounts set forth below:

Year	Principal Amount
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\_\_\_\_\_  
† Maturity.

The 2016A Bonds maturing on June 1, 20\_\_\_ shall be subject to mandatory sinking fund redemption in part at par, and by lot, from mandatory sinking account payments set aside in the Parity Obligation Payment Fund for such purpose, on June 1 of the years and in the amounts set forth below:

Year	Principal Amount
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\_\_\_\_\_  
† Maturity.

Upon any purchase or optional redemption of the 2016A Bonds designated to be term bonds, an amount equal to the aggregate principal amount of 2016A Bonds so purchased or redeemed shall be credited towards a part or all of any one or more yearly mandatory sinking account payments required by subsection (b) above, as directed in writing by a Certificate of the Director of Finance. The portion of any such mandatory sinking account payments remaining after the deduction of any such amounts credited toward the same (or the original amount of any such mandatory sinking account payments if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such mandatory sinking account payments for the purpose of the calculation of principal payments due on any future principal payment



date. In such event, the City shall provide the Fiscal Agent with a revised sinking fund payment schedule.

(c) *Notice of Redemption.* Notice of redemption shall be given by the Fiscal Agent, not less than thirty (30) nor more than sixty (60) days prior to the redemption date, (i) by mail to each Owner and the Securities Depositories and (ii) electronically to one or more Information Services. Notice of redemption to the Securities Depositories shall be given by telecopy, certified, registered or overnight mail or by such other method as may be requested by the Securities Depositories. Each notice of redemption shall state the date of such notice, the date of issue of the 2016A Bonds to which such notice relates, the redemption date, the Redemption Price, the place or places of redemption (including the name and appropriate address or addresses of the Fiscal Agent), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity, the distinctive certificate numbers of the 2016A Bonds of such maturity to be redeemed and, in the case of 2016A Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said 2016A Bonds the Redemption Price thereof or of said specified portion of the principal amount thereof in the case of a 2016A Bond to be redeemed in part only, together with interest accrued thereon to the date fixed for redemption, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such 2016A Bonds be then surrendered at the address or addresses of the Fiscal Agent specified in the redemption notice. Neither the City nor the Fiscal Agent shall have any responsibility for any defect in the CUSIP number that appears on any 2016A Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the City nor the Fiscal Agent shall be liable for any inaccuracy in such numbers.

In the event of an optional redemption of 2016A Bonds, if the City shall not have deposited or otherwise made available to the Fiscal Agent the money required for the payment of the redemption price of the 2016A Bonds to be redeemed at the time of the mailing of notice of redemption, such notice of redemption shall state that the redemption is expressly conditioned upon the timely deposit of sufficient funds therefor with the Fiscal Agent.

(d) Failure by the Fiscal Agent to give notice to any one or more of the Information Services or Securities Depositories or failure of any Owner to receive notice or any defect in any such notice shall not affect the sufficiency of the proceedings for redemption.

**SECTION 20.07 Amendments to Certain Provisions of the Fiscal Agent Agreement.**

The following amendments to the Master Fiscal Agent Agreement shall become effective at such time as this Ninth Supplement shall be executed and delivered by the City and the Fiscal Agent.

(A) With respect to the 2016A Bonds, Section 4.04 of the Master Fiscal Agent Agreement is hereby amended to add the following paragraph to the end of the section:

“With respect to moneys in any of the funds and accounts held by the Fiscal Agent to be invested in Investment Securities as provided in the first sentence of this Section 4.04, such investments shall be directed by the City pursuant to a written request of the City filed with the Fiscal Agent at least two (2) Business Days in advance of the making of such investment. In the absence of any such direction from the City, the Fiscal Agent shall invest any such moneys in a money market fund qualified as Investment Securities provided that as long as The Bank of New York Mellon Trust Company, N.A. is serving as Fiscal Agent, the Fiscal Agent shall invest such money in a money market fund qualified as Investment Securities set forth in the letter of authorization and direction executed by the City and delivered to the Fiscal Agent. If no specific money market fund has been directed by the City, the Fiscal Agent shall make a request to the City for investment directions. Such moneys shall be held in cash, uninvested, until specific investment directions are provided by the City to the Fiscal Agent.”

(B) With respect to the 2016A Bonds, Section 7.02 of the Master Fiscal Agent Agreement is hereby amended to add the following paragraphs to the end of the section:

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

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

event and/or occurrences beyond the control of the Fiscal Agent and without its fault or negligence.

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

The Fiscal Agent shall have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the 2016A Bonds.

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

**SECTION 20.08**      Terms of 2016A Bonds Subject to the Fiscal Agent Agreement.  
Except as in this Ninth Supplement expressly provided, every term and condition contained in the Fiscal Agent Agreement shall apply to the Ninth Supplement and to the 2016A Bonds with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to the Ninth Supplement.

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

**SECTION 20.09**      Governing Law. This Ninth Supplement shall be construed and governed in accordance with the laws of the State of California.

**SECTION 20.10**      Execution in Counterparts. The Ninth Supplement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

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

CITY OF PASADENA

By: \_\_\_\_\_  
Matthew Hawkesworth  
Director of Finance

(Seal)

ATTEST:

By: \_\_\_\_\_  
Mark Jomsky  
City Clerk

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

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

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Michele Beal Bagneris  
City Attorney

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Danny Kim, Partner  
Norton Rose Fulbright US LLP  
Bond Counsel

**EXHIBIT A**

[FORM OF 2016A BOND]

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

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

UNITED STATES OF AMERICA  
STATE OF CALIFORNIA  
CITY OF PASADENA

ELECTRIC REVENUE/REFUNDING BOND, 2016A SERIES

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP NO.</u>
_____ %	June 1, 20__	_____, 2016	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

The City of Pasadena, a municipal corporation situated in the County of Los Angeles, State of California (the "City"), FOR VALUE RECEIVED, hereby promises to pay, only from the Net Income of the Electric System in the Light and Power Fund and such other funds as hereinafter provided, to the registered owner named above, or registered assigns, on the maturity date set forth above (subject to the right of prior redemption (if any) hereafter mentioned), the principal amount set forth above, and to pay interest on such principal amount, semiannually on June 1 and December 1 of each year, commencing June 1, 2017 (each such date shall be referred to herein as an "Interest Payment Date") at the interest rate set forth above. Interest with respect to this 2016A Bond shall be payable from the Interest Payment Date next preceding the date of authentication hereof unless such date of authentication is during the period from a Record Date (as hereinafter defined) to and including the next succeeding Interest Payment Date, in which case interest with respect hereto shall be payable from such Interest Payment Date, or unless such date of authentication is prior to the Record Date for the first Interest Payment Date, in which case interest with respect hereto shall be payable from the date of delivery of this 2016A Bond; provided, however, that if at the time of authentication of this 2016A Bond, interest with respect hereto is in default, interest with respect hereto shall be payable from the Interest Payment Date to which interest has previously been paid. Interest on this 2016A Bond is payable by check or draft of The Bank of New York Mellon Trust Company, N.A., in Los Angeles, California, or its successors and assigns, as Fiscal Agent for the 2016A Bonds, mailed on each Interest Payment Date to the registered Owner hereof as of the close of business on the 15th day of the month immediately preceding an Interest Payment Date (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Fiscal Agent; provided, that in the case of an Owner of \$1,000,000 or more in aggregate principal amount of 2016A Bonds, upon written request of such Owner delivered to the Fiscal Agent not less than 20 days prior to any Interest Payment Date, such interest shall be paid in immediately available funds by wire transfer to an account specified by the Owner in such written request on the

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

This is one of a duly authorized issue of bonds of the City designated "Electric Revenue/Refunding Bonds, 2016A Series," referred to herein as the "2016A Bonds," all of which have been issued pursuant to Article XIV of said Charter for the purpose of providing moneys for the refunding certain outstanding Bonds of the City. The creation of said issue and the terms and conditions of the 2016A Bonds are provided for by the Ordinance of the City authorizing the 2016A Bonds and designated Ordinance No. \_\_\_\_\_, adopted by the City Council of the City on \_\_\_\_\_, 2016, and by an Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 1998, by and between the City and the Fiscal Agent (the "Master Fiscal Agent Agreement"), as amended and supplemented by a First Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 1998, by a Second Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of July 1, 2002, by a Third Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 2003, by a Fourth Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of February 1, 2008, by a Fifth Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of November 1, 2009, by a Sixth Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of July 1, 2010, by a Seventh Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of October 1, 2012, by an Eighth Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of November 1, 2013, and by a Ninth Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of \_\_\_\_\_ 1, 2016, each by and between the City and the Fiscal Agent or its predecessor in interest (collectively, the "Fiscal Agent Agreement"), and by acceptance hereof the Owner of this 2016A Bond assents to said terms and conditions. Said Ordinance was adopted under, the Fiscal Agent Agreement is entered into under, and this 2016A Bond is issued under, and each is to be construed in accordance with the Charter of the City and the laws and Constitution of the State of California. Capitalized terms used herein not otherwise defined shall have the meanings ascribed thereto in the Fiscal Agent Agreement.

This 2016A Bond does not constitute an indebtedness of the City but is an obligation payable, as to both principal and interest, and any premium upon the redemption hereof prior to maturity (if applicable), exclusively from the Net Income of the Electric System in the Light and Power Fund and certain other funds as provided in the Fiscal Agent Agreement, but this shall not preclude the payment hereof from the proceeds of any bonds issued to refund the 2016A Bonds, nor preclude the use of any sum received as premium or accrued interest on the sale of the 2016A Bonds to pay principal and interest hereof, nor payment hereof from certain other funds or moneys as provided in Subdivision D of Section 1413 of Article XIV of the Charter of the City (the "Charter"). The Light and Power Fund is established in and by the Charter, and under the provisions of said Charter all money received from the sale or use of electric energy or otherwise derived from the Electric System of the City is required to be deposited in the Light and Power Fund and used only for the purposes set forth in said Charter, including the payment of the 2016A Bonds.

The 2016A Bonds will be issued on a parity with the \$58,555,000 aggregate principal amount of City of Pasadena, California Electric Revenue Bonds, 2008 Series (the "2008 Bonds"), the \$40,655,000 aggregate principal amount of City of Pasadena, California Electric Revenue Refunding Bonds, 2009 Series (the "2009 Bonds"), the \$36,320,000 aggregate principal amount of City of Pasadena, California Electric Revenue Refunding Bonds, 2010A Series (the "2010 Bonds"), the \$11,780,000 aggregate principal amount of City of Pasadena, California Electric Revenue Refunding Bonds, 2012A Series (the "2012A Bonds"), and the \$80,485,000 aggregate principal amount of City of Pasadena, California Electric Revenue/Refunding Bonds, 2013A Series (the "2013A Bonds") previously issued pursuant to the Fiscal Agent Agreement, and to the extent remaining outstanding. The 2016A Bonds, the 2013A Bonds, the 2012A Bonds, the 2010 Bonds and the 2009 Bonds, the 2008 Bonds and any additional bonds to be issued pursuant to the Fiscal Agent Agreement are herein referred to collectively as the "Bonds." All Net Income deposited in the Light and Power Fund is pledged to secure the payment of the principal of and redemption premium, if any, and interest on the Bonds and any Parity Obligations in accordance with their terms, subject only to the provisions of the Fiscal Agent Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein. Said pledge shall constitute a first lien on the Net Income and shall be valid and binding from and after delivery by the City of the Bonds or Parity Obligations, without any physical delivery thereof or further act. Nothing in the Fiscal Agent Agreement restricts the issuance of additional bonds under Article XIV of the City Charter, subject to the limitations set forth in Article V of the Fiscal Agent Agreement, payable from the Light and Power Fund and ranking on a parity with or subordinate to the Bonds.

The Charter and covenants expressed in said Fiscal Agent Agreement impose upon the officers of said City certain obligations to the Owners of the 2016A Bonds, such covenants, among other things, restricting transfers out of the Light and Power Fund, prohibiting issuance of revenue bonds having any priority with respect to payment from the Light and Power Fund, placing limitations upon the issuance of additional bonds payable from said fund and imposing conditions with respect to any sale or lease of the Electric System. In the manner provided in the Fiscal Agent Agreement, any or all of the covenants expressed in the Fiscal Agent Agreement, and any other provision thereof, or any provision of any resolution or order authorizing or providing for the issuance of the 2016A Bonds, may be waived or modified at any time in the manner, to the extent, and upon the terms provided in the Fiscal Agent Agreement, which provides, in certain circumstances, for modifications and amendments without the consent of or notice to the registered Owners of the 2016A Bonds.

The 2016A Bonds maturing prior to June 1, 20\_\_\_, are not subject to call and redemption prior to maturity. The 2016A Bonds maturing on or after June 1, 20\_\_\_ are subject to call and redemption prior to maturity, at the option of the City, as a whole or in part, on June 1, 20\_\_\_ or on any date thereafter, in any order of maturity and by lot within a single maturity, from funds derived by the City from any legal source, at a redemption price equal to the principal amount of the 2016A Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.

The 2016A Bonds maturing on June 1, 20\_\_\_ shall be subject to mandatory sinking fund redemption in part at par, and by lot, from mandatory sinking account payments set aside in the

Parity Obligation Payment Fund for such purpose, on June 1 of the years and in the amounts set forth below:

Year	Principal Amount
------	------------------

† Maturity.

The 2016A Bonds maturing on June 1, 20\_\_ shall be subject to mandatory sinking fund redemption in part at par, and by lot, from mandatory sinking account payments set aside in the Parity Obligation Payment Fund for such purpose, on June 1 of the years and in the amounts set forth below:

Year	Principal Amount
------	------------------

† Maturity.

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

In the event of an optional redemption of 2016A Bonds, if the City shall not have deposited or otherwise made available to the Fiscal Agent the money required for the payment of the redemption price of the 2016A Bonds to be redeemed at the time of the mailing of notice of redemption, such notice of redemption shall state that the redemption is expressly conditioned upon the timely deposit of sufficient funds therefor with the Fiscal Agent.

Failure by the Fiscal Agent to give notice to any one or more of the Information Services or Securities Depositories or failure of any Owner to receive notice or any defect in any such notice shall not affect the sufficiency of the proceedings for redemption.

The 2016A Bonds are registrable, as to principal and interest, in denominations of \$5,000 principal amount or any integral multiple thereof. This 2016A Bond is transferable by the registered Owner hereof, in person or by his or her duly authorized attorney, at the Corporate Trust Office of the Fiscal Agent in Los Angeles, California, or such other place as designated by the Fiscal Agent. This 2016A Bond may be exchanged at the Corporate Trust Office of the Fiscal Agent, or such other place as designated by the Fiscal Agent, for a like aggregate principal amount of 2016A Bonds of other denominations of the same Series and maturity. Any such transfer and exchange shall be only in the manner, subject to the limitations and upon payment of the charges provided in said Fiscal Agent Agreement. Upon such transfer or exchange, a new registered 2016A Bond of authorized denomination or denominations for a like aggregate principal amount of the same Series, interest rate and maturity will be issued to the transferee in exchange herefor.



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

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this 2016A Bond exist, have happened, and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California and the Charter, and that this 2016A Bond, together with all other obligations and indebtedness of the City pertaining to the aforesaid Electric System, is within every debt and other limit prescribed by or pursuant to the Constitution and statutes of the State of California and the Charter. Pursuant to Article XIV of the Charter, the foregoing recital of regularity of proceedings shall be conclusive evidence of compliance with the provisions of Article XIV of the Charter and of the validity of this 2016A Bond.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the City of Pasadena has caused this 2016A Bond to be signed by the Mayor, the Director of Finance and the City Clerk of the City by their facsimile signatures and the corporate seal of the City to be reproduced hereon.

\_\_\_\_\_  
Mayor of the City of Pasadena, California

\_\_\_\_\_  
Director of Finance of the City of Pasadena,  
California

ATTEST:

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

CERTIFICATE OF AUTHENTICATION

This is one of the City of Pasadena, California Electric Revenue/Refunding Bonds, 2016A Series, described in Ordinance No. \_\_\_\_\_ and the Electric Revenue Bond Fiscal Agent Agreement of the City of Pasadena, California.

Dated: \_\_\_\_\_, 2013

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

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

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DTC LEGEND

Unless this 2016A Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the City or its agent for registration or transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ (Taxpayer Identification Number: \_\_\_\_\_) the within 2016A Bonds and all rights thereunder, and hereby irrevocably constitutes and appoints attorney to transfer the within 2016A Bond on the books kept for registration thereof, with full power of substitution in the premises.

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

Notice: 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

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

EXHIBIT B

PROPOSED FORM OF  
ESCROW AGREEMENT RELATING  
TO THE 2008 BONDS

**ESCROW AGREEMENT  
RELATING TO THE DEFEASANCE AND REDEMPTION  
OF A PORTION OF THE OUTSTANDING CITY OF PASADENA, CALIFORNIA  
ELECTRIC REVENUE BONDS, 2008 SERIES**

THIS ESCROW AGREEMENT, dated as of \_\_\_\_\_ 1, 2016 (this "Escrow Agreement"), by and between the City of Pasadena, California (the "City") and The Bank of New York Mellon Trust Company, N.A., as escrow agent hereunder (the "Escrow Agent"),

WITNESSETH:

WHEREAS, pursuant to an Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 1998 (as amended and supplemented, the "Fiscal Agent Agreement"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as successor fiscal agent (the "Fiscal Agent"), the City heretofore issued \$58,555,000 principal amount of its Electric Revenue Bonds, 2008 Series, of which \$48,615,000 principal amount are currently outstanding (the "2008 Bonds"); and

WHEREAS, the City's Electric Revenue/Refunding Bonds, 2016A Series (the "2016A Bonds") are being issued pursuant to the Fiscal Agent Agreement for the purpose, among others, of refunding a portion of the outstanding 2008 Bonds (such 2008 Bonds being refunded are more particularly identified in Exhibit A attached hereto and referred to herein as the "Refunded 2008 Bonds"), by providing funds to pay the interest to become due on the Refunded 2008 Bonds through and including June 1, 2017 and to redeem on December 1, 2017, the Refunded 2008 Bonds at a redemption price equal to 100% of the principal amount thereof, together with accrued interest thereon to the redemption date; and

WHEREAS, in order to accomplish the refunding of the Refunded 2008 Bonds in accordance with the Fiscal Agent Agreement, the City will deposit, or cause to be deposited, with the Escrow Agent, proceeds of the 2016A 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 (a) \$ \_\_\_\_\_, representing a portion of the net proceeds of the sale of the 2016A Bonds, [and (b) \$ \_\_\_\_\_, from cash on hand]; 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 separate fund hereby created and established to be known as the "2008 Escrow Fund" (the "Escrow Fund"), and to be applied solely as provided in this Escrow Agreement. \$ \_\_\_\_\_ of said moneys will be applied to purchase direct obligations of the United States of America (including obligations held or issued in book-entry form on the books of the Department of the Treasury of the United States of America and CATS and TIGRS) or obligations the timely payment of the principal of and interest on which are fully guaranteed by the United States of America and otherwise satisfying the criteria set forth in Section 9.03 of the

Fiscal Agent Agreement (the "Federal Securities"), and \$ \_\_\_\_ of said moneys will be held uninvested as cash. The moneys set forth above are at least an amount sufficient to purchase the Federal Securities. The principal of and interest on the Federal Securities when due will provide moneys, together with the moneys held uninvested as cash as set forth above, which will be sufficient to pay the interest to become due on the Refunded 2008 Bonds through and including June 1, 2017 and to redeem on December 1, 2017, the Refunded 2008 Bonds at a redemption price equal to 100% of the principal amount thereof, together with accrued interest thereon to the redemption date. The amounts required to be paid on the Refunded 2008 Bonds are shown on Exhibit B hereto. The Escrow Agent may conclusively rely upon the verification report by Grant Thornton LLP, dated \_\_\_\_\_, 2016, as to the sufficiency of the funds to make the payments required for the redemption of the Refunded 2008 Bonds. 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 2008 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 2008 Bonds shall cease, terminate and be completely discharged and satisfied, and all payments of interest on, any redemption premium, and principal of the Refunded 2008 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, and to deposit such Federal Securities 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, or (ii) any payment of principal or interest from the Federal Securities 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 2016A Bonds or the 2008 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 2008 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, 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 2016A Bonds or the 2008 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 2008 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 2008 Bonds.

(a) Payment of Refunded 2008 Bonds. From the maturing principal of the Federal Securities, and the investment income and other earnings thereon, and other moneys on deposit in the Escrow Fund, the Escrow Agent shall pay (i) the interest to become due on the Refunded 2008 Bonds through and including June 1, 2017 and (ii) the redemption price of the Refunded 2008 Bonds (*i.e.*, 100% of the principal amount thereof) to be redeemed on December 1, 2017, together with interest accrued thereon to the date of redemption, without premium. Any moneys remaining in the Escrow Fund after payment of the Refunded 2008 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 provide notice of the redemption of the Refunded 2008 Bonds to be redeemed substantially in the form of Exhibit D hereto by mail, postage prepaid, to the registered owners of the Refunded 2008 Bonds (with a copy to the bond insurer for the Refunded 2008 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 December 1, 2017, the redemption date, all in accordance with Section 3.02 of the Fiscal Agent Agreement, and (ii) to provide notice to the owners of the Refunded 2008 Bonds substantially in the form of Exhibit E hereto that an irrevocable deposit has been made with the Escrow Agent and that the Refunded 2008 Bonds have been deemed to be paid, all in accordance with 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 2008 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 2008 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 2008 Bonds shall have a lien on moneys and securities in the Escrow Fund, including, as applicable, any redemption premium thereon, in accordance with this Escrow Agreement, until such moneys and such securities 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 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, the retention of the Federal Securities or the proceeds thereof, 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, the retention of the Federal Securities or the proceeds thereof, the sufficiency of the Federal Securities to pay the Refunded 2008 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 to accomplish the refunding of the Refunded 2008 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.

If the Escrow Agent learns that the Department of the Treasury or the Bureau of Public Debt will not, for any reason, accept a subscription of Federal Securities that is to be submitted pursuant to this Escrow Agreement, the Escrow Agent shall promptly request alternative written investment instructions from the City with respect to escrowed funds which were to be invested in securities. The Escrow Agent shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Agent shall hold funds uninvested and without liability for interest until receipt of further written instructions from the City. In the absence of

investment instructions from the City, the Escrow Agent shall not be responsible for the investment of such funds or interest thereon. The Escrow Agent may conclusively rely upon the City's selection of an alternative investment as a determination of the alternative investment's legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

The City acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the City the right to receive brokerage confirmations of security transactions as they occur, the City specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Agent will furnish the City periodic cash transaction statements which include detail for all investment transactions made by the Escrow Agent hereunder.

The Escrow Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Escrow Agreement and delivered using Electronic Means ("Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Agent, or another method or system specified by the Escrow Agent as available for use in connection with its services hereunder); provided, however, that the City shall provide to the Escrow Agent an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the City whenever a person is to be added or deleted from the listing. If the City elects to give the Escrow Agent Instructions using Electronic Means and the Escrow Agent acts upon such Instructions, the Escrow Agent's reasonable understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Escrow Agent cannot determine the identity of the actual sender of such Instructions and that the Escrow Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Agent have been sent by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Agent. 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. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions 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; (ii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iii) to notify the Escrow Agent immediately upon learning of any compromise or unauthorized use of the security procedures that affects the security procedures with the Escrow Agent.

(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 2008 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 2008 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 2008 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 2008 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 Funds, 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 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: \_\_\_\_\_  
Matthew Hawkesworth  
Director of Finance

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

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

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Michele Beal Bagneris  
City Attorney

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Dann Kim, Partner  
Norton Rose Fulbright US LLP  
Bond Counsel

**EXHIBIT A**

**REFUNDED 2008 BONDS**

The Refunded 2008 Bonds have the maturity dates and CUSIP numbers as set forth below:

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount</u> <u>Outstanding</u>	<u>CUSIP</u> <u>Number</u>	<u>Bond</u> <u>Number</u>
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**EXHIBIT B**

**REQUIREMENTS OF THE REFUNDED 2008 BONDS**

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

**FEDERAL SECURITIES**

<u>Type</u>	<u>Maturity Date</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>Purchase Price</u>
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**EXHIBIT D**

**NOTICE OF REDEMPTION**

**CITY OF PASADENA, CALIFORNIA  
ELECTRIC REVENUE BONDS, 2008 SERIES**

NOTICE IS HEREBY GIVEN to the owners of the above-captioned bonds that the outstanding bonds as specified in the table below (the "Refunded 2008 Bonds") of the CITY OF PASADENA, CALIFORNIA (the "City"), issued on August 6, 2008 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, 2017 (the "Redemption Date").

The Refunded 2008 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>
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Owners of the Refunded 2008 Bonds must present and surrender the Refunded 2008 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 December 1, 2017, the Refunded 2008 Bonds will be payable at a redemption price of 100% of the principal amount thereof, together with accrued interest thereon, and from and after December 1, 2017 interest on the Refunded 2008 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: \_\_\_\_\_, 2017

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, 2008 SERIES**

NOTICE IS HEREBY GIVEN to the owners of the outstanding above-captioned bonds as further described in the table below (the "Refunded 2008 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 2008 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 2008 Bonds were issued, the principal of and interest on which when due, together with amounts held as cash, will provide moneys sufficient to pay interest through and including June 1, 2017 and on December 1, 2017 the redemption price (*i.e.*, 100% of the principal amount thereof) of the Refunded 2008 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 2008 Bonds shall cease, terminate and be completely discharged and satisfied, and all payments of interest on and principal of the Refunded 2008 Bonds shall be paid only from moneys on deposit with the Escrow Agent and available as aforesaid.

<u>Maturity</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount</u> <u>Outstanding</u>	<u>Principal</u> <u>Amount</u> <u>Defeased</u>	<u>CUSIP</u> <u>Number</u>
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*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: \_\_\_\_\_, 2016

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

EXHIBIT C

PROPOSED FORM OF  
CONTINUING DISCLOSURE AGREEMENT

## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement"), dated as of \_\_\_\_\_ 1, 2016, 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 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.

"Annual Report" means an Annual Report described in and consistent with Section 3 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 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.

“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.

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

“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 Ninth Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of \_\_\_\_\_ 1, 2016, by and between the Issuer and the Fiscal Agent, relating to Bonds.

“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.

“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 \_\_\_\_\_, 2016 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 210 days after the end of the Issuer’s Fiscal Year (presently June 30), commencing with the report for Fiscal Year 2015-16. 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 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 6:00 p.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send 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;
- (iv) 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;"
- (v) 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;
- (vi) 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;"
- (vii) 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."

(viii) 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 4 entitled "TOTAL POWER GENERATED AND PURCHASED (MWh);"

2. Table 5 entitled "POWER SUPPLY RESOURCES;"
3. Table 8 entitled "CUSTOMERS, ENERGY SALES AND REVENUES;"
4. Table 9 entitled "OUTSTANDING DEBT OF JOINT POWERS AGENCIES;"
5. Table 10 entitled "HISTORICAL OPERATING RESULTS AND DEBT SERVICE COVERAGE;" and
6. Table 11 entitled "CITY OF PASADENA ELECTRIC UTILITY FUND CONDENSED BALANCE SHEET"

(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.

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: \_\_\_\_\_  
Matthew Hawkesworth  
Director of Finance

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Michele Beal Bagneris  
City Attorney

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Dann Kim, Partner  
Norton Rose Fulbright US LLP  
Bond Counsel



**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, 2016A Series  
Date of Issuance: \_\_\_\_\_, 2016

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 \_\_\_\_\_ 1, 2016, 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