

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA, CALIFORNIA AUTHORIZING THE INVITATION OF BIDS FOR THE PURCHASE OF ELECTRIC REVENUE REFUNDING BONDS, 2019A SERIES OF SAID CITY; APPROVING A NOTICE OF INTENTION TO SELL BONDS, A PRELIMINARY OFFICIAL STATEMENT AND A NOTICE INVITING BIDS; AUTHORIZING THE PUBLICATION OF A NOTICE OF INTENTION TO SELL BONDS; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City Council of the City of Pasadena, California (the "City Council") deems it necessary and proper that bids be invited for the purchase of the Electric Revenue Refunding Bonds, 2019A Series (the "2019A Bonds") of the City of Pasadena, California (the "City") and that the 2019A Bonds be sold in the manner and at the time and place hereinafter set forth;

NOW, THEREFORE, the City Council does hereby resolve, determine and order as follows:

Section 1. Electronic proposals for the purchase of the 2019A Bonds shall be received by the Director of Finance of the City (or in the absence of the Director of Finance, his designee) at the time and place determined as provided in the Notice of Intention to Sell Bonds and the Notice Inviting Bids as hereinafter approved.

Section 2. The Director of Finance (or in the absence of the Director of Finance, his designee) is hereby authorized and directed to publish a Notice of Intention to Sell Bonds, substantially in the form annexed hereto as "Exhibit A" and hereby approved by this City Council, by one insertion in a newspaper of general circulation published in the City, at least five days prior to the date of receiving proposals for the purchase of the 2019A Bonds.

Section 3. The City Council hereby approves the Preliminary Official Statement relating to the 2019A Bonds substantially in the form on file with the City Clerk, a copy of which has been made available to this City Council, with such changes therein as the Director of Finance of the City (or in the absence of the Director of Finance, his designee) may determine necessary, to be furnished to prospective bidders for the 2019A Bonds as provided in Section 4 hereof. The City authorizes the Director of Finance (or in the absence of the Director of Finance, his designee) to deem the Preliminary Official Statement to be final within the meaning of Securities and Exchange Commission Rule 15c2-12 subject to completion of those items permitted by said Rule. The City Council directs the City Clerk to file the Preliminary Official Statement in his office and to identify it as being the Preliminary Official Statement so approved hereby, by an endorsement thereon to that effect over his signature. The Director of Finance (or in the absence of the Director of Finance, his designee) is authorized and directed to execute and deliver a final Official Statement in substantially the form of the Preliminary Official Statement hereby approved, with such additions thereto and changes therein as are consistent with this Resolution and recommended or approved by Disclosure Counsel to the City and approved by

such officers and employees, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The Director of Finance (or in the absence of the Director of Finance, his designee) is authorized and directed to cause to be furnished to prospective bidders, upon their request, a reasonable number of copies of the Ordinance authorizing issuance of the 2019A Bonds, the Electric Revenue Bond Fiscal Agent Agreement, the Tenth Supplement to Electric Revenue Bond Fiscal Agent Agreement providing for the issuance of the 2019A Bonds as approved pursuant to said Ordinance, and the Preliminary Official Statement. The Director of Finance (or in the absence of the Director of Finance, his designee) is authorized and directed to cause to be furnished to prospective bidders, upon their request, a reasonable number of copies of the Notice Inviting Bids substantially in the form annexed hereto as "Exhibit B" and hereby approved by the City Council. The Director of Finance is further authorized and directed, after any proposal for the purchase of the 2019A Bonds has been accepted by the Director of Finance (or in the absence of the Director of Finance, his designee), and after the final Official Statement has been prepared, to cause to be furnished to the successful bidder, for use in connection with the resale of the 2019A Bonds, such number of copies of the final Official Statement as may be reasonably required.

Section 5. The Director of Finance (or in the absence of the Director of Finance, his designee) may withdraw or modify the Notice Inviting Bids and the Notice of Intention to Sell Bonds, or either, at any time by notice published via Thomson Municipal News or other means determined by the Director of Finance (or in the absence of the Director of Finance, his designee) to be reasonably calculated to reach potential bidders for the 2019A Bonds. If the Director of Finance should withdraw the Notice Inviting Bids or the Notice of Intention to Sell Bonds at any time before the 2019A Bonds are awarded, and should at a later date determine that it is desirable to receive bids for the 2019A Bonds, then the Director of Finance (or in the absence of the Director of Finance, his designee) is hereby authorized to redistribute the Notice Inviting Bids and republish the Notice of Intention to Sell Bonds with such modifications or revisions as are approved by the Director of Finance (or in the absence of the Director of Finance, his designee).

Section 6. The City Council shall confirm the award of the 2019A Bonds at the time and date specified in the Notice Inviting Bids by subsequent City Council action; provided, that if the City Council does not meet at City Hall in Council Chambers or does not achieve a quorum on the date on which bids for the 2019A Bonds are received, the Director of Finance (or in the absence of the Director of Finance, his designee) is hereby authorized and directed on behalf of the City to accept the best bid for the 2019A Bonds received (or reject all bids) pursuant to and subject to the terms and conditions set forth in the Notice Inviting Bids and to take such other actions as the Director of Finance (or in the absence of the Director of Finance, his designee) deems appropriate, consistent with the provisions hereof, and upon the execution by any member of this City Council and by the Director of Finance (or in the absence of the Director of Finance, his designee) of a Written Order to award the 2019A Bonds to the best bidder, the 2019A Bonds shall be so awarded, and the interest rate or rates on the 2019A Bonds as have been bid by the best bidder so awarded the 2019A Bonds shall be fixed.

Section 7. The law firm of Nixon Peabody LLP, Los Angeles, California, is hereby retained as Bond Counsel and Disclosure Counsel in connection with the issuance of the 2019A Bonds, upon such terms and conditions as shall be approved and executed by the Director of Finance (or in the absence of the Director of Finance, his designee).

Section 8. The firm of Public Resources Advisory Group, Los Angeles, California, is hereby retained as municipal advisor in connection with the issuance of the 2019A Bonds, upon such terms and conditions as shall be approved by the Director of Finance (or in the absence of the Director of Finance, his designee).

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ADOPTED at a regular meeting of the City Council this 10th day of June, 2019, by the following vote:

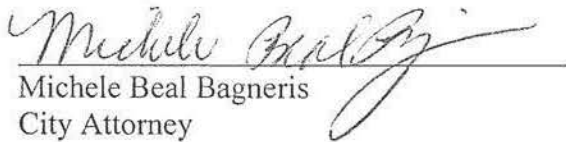
AYES: _____

NOES: _____

ABSENT: _____


Mark Jomsky
City Clerk

APPROVED AS TO FORM:



Michele Beal Bagneris
City Attorney

APPROVED AS TO FORM:



Danny Kim, Partner
Nixon Peabody LLP
Bond Counsel

Exhibit A

Notice of Intention to Sell Bonds

NOTICE OF INTENTION TO SELL BONDS
NOT TO EXCEED \$12,625,000*
CITY OF PASADENA, CALIFORNIA
ELECTRIC REVENUE REFUNDING BONDS, 2019 SERIES

NOTICE IS HEREBY GIVEN that the City of Pasadena (the "City") intends to receive electronically transmitted bids until

9:30 a.m., Pacific time on July 22, 2019

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

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

Date: _____, 2019

/s/ Matthew Hawkesworth

Director of Finance
City of Pasadena

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

Exhibit B
Notice Inviting Bids

NOTICE INVITING BIDS

CITY OF PASADENA, CALIFORNIA

Electric Revenue Refunding Bonds, 2019A Series

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

**July 22, 2019
at 9:30 A.M. Pacific time,**

for the purchase of \$12,625,000 (approximate) aggregate principal amount of City of Pasadena, California Electric Revenue Refunding Bonds, 2019A Series (the “2019A Bonds”), more particularly described herein. See “TERMS OF SALE—Form of Bid and Surety Bond—Warnings Regarding Electronic Bids” herein.

Interest on the 2019A Bonds is excluded pursuant to section 103(a) of the Internal Revenue Code of 1986 from the gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, as more fully described in the Preliminary Official Statement (as hereinafter defined).

The City reserves the right to cancel or reschedule the sale of the 2019A Bonds or change the terms thereof upon notice given through MuniOS (www.munios.com) or Thomson Municipal News prior to the time bids are to be received. If the sale is rescheduled, bids will be received at the place set forth above, at such date and time as the City shall determine. Notice of the new sale date, time and terms, if any, will be given through MuniOS or Thomson Municipal News as soon as practicable prior to the new time bids are to be received.

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

TERMS OF THE 2019A BONDS

Important Note. This Notice Inviting Bids will be submitted to Ipreo LLC for posting at <https://www.newissuehome.i-deal.com> and in the Parity® bid delivery system. In the event the Parity system’s summary of the terms of sale of the 2019A Bonds disagrees with this Notice Inviting Bids in any particulars, the terms of this Notice Inviting Bids shall control (unless notice of an amendment hereto is given as described above).

Opening of Bids and Award of 2019A Bonds

The bids will be received at the above time and place, will be opened by the Director of Finance or his designee, and the 2019A Bonds are expected to be awarded by the City at the City Council meeting later that day. If the City Council does not meet or does not achieve a quorum on the date on which bids for the 2019A Bonds are received, the Director of Finance (or in the absence of the Director of Finance, his designee) is authorized and directed on behalf of the City to accept the best bid for the 2019A Bonds received (or reject all bids) and to take such other actions as the Director of Finance (or in the absence of the Director of Finance, his designee) deems appropriate.

The Issue

The 2019A Bonds are being issued by the City for the purpose of providing moneys to (i) refund all of the City's outstanding Electric Revenue Refunding Bonds, 2009 Series (the "2009 Bonds"), and (ii) pay the costs of issuance of the 2019A Bonds.

Authority for Issuance

The 2019A Bonds are authorized and issued pursuant to Article XIV of the City Charter, an Ordinance adopted by the City Council of the City on June 17, 2019 (the "Ordinance"), and an 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 previously amended and supplemented, and as further amended and supplemented by a Tenth Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 2019 (the "Tenth Supplement"), to be executed simultaneously with the delivery of the 2019A Bonds (together with the Master Fiscal Agent Agreement as previously amended and supplemented, the "Fiscal Agent Agreement"). The City has previously issued its Electric Revenue Refunding Bonds, 2010A Series (the "2010A Bonds"), its Electric Revenue Refunding Bonds, 2012A Series (the "2012A Bonds"), its Electric Revenue/Refunding Bonds, 2013A Series (the "2013A Bonds"), and its Electric Revenue/Refunding Bonds, 2016A Series (the "2016A Bonds"), each pursuant to the Fiscal Agent Agreement, of which \$205,105,000 aggregate principal amount of 2010A Bonds, 2012A Bonds, 2013A Bonds and 2016A Bonds will remain outstanding after delivery of the 2019A Bonds. The 2019A Bonds will be issued on a parity with the 2010A Bonds, the 2012A Bonds, the 2013A Bonds and the 2016A Bonds remaining outstanding upon delivery of the 2019A Bonds and other obligations of the Electric System payable from Net Income and issued from time to time pursuant to the terms of the Fiscal Agent Agreement ("Parity Obligations"). The 2019A Bonds, the 2016A Bonds, the 2013A Bonds, the 2012A Bonds, the 2010A Bonds and all other Electric Revenue Bonds to be issued pursuant to the Fiscal Agent Agreement are herein referred to collectively as the "Bonds."

Bidders are referred to the Fiscal Agent Agreement and the Preliminary Official Statement, dated _____, 2019, relating to the 2019A Bonds (the "Preliminary Official Statement"), for definitions of terms and for further particulars, including further information regarding the 2019A Bonds. This Notice Inviting Bids contains certain information for general reference only, is not a summary of the issue and governs only the terms of the sale of, bidding

for, and closing procedures with respect to, the 2019A Bonds. Bidders must read the entire Preliminary Official Statement to obtain information essential to the making of an informed investment decision.

Security; Limited Obligations

The 2019A Bonds are an obligation payable solely from the Light and Power Fund of the City and certain other funds as provided in the Fiscal Agent Agreement. The 2019A Bonds are secured by a pledge of and lien upon Net Income of the Electric System on a parity with other Bonds and Parity Obligations.

The City has covenanted in the Fiscal Agent Agreement that the rates to be charged for services furnished by the Electric System shall be fixed so as to provide Gross Revenues at least sufficient to pay, as the same become due, the principal of and interest on the Bonds and Parity Obligations and all other obligations and indebtedness payable from the Light and Power Fund (including the payment of any amounts owing to any provider of any surety bond, insurance policy or letter of credit with respect to the Bonds or any Parity Obligations, which amounts are payable from the Light and Power Fund) or from any fund derived therefrom, and also the necessary Maintenance and Operating Expenses, and shall be so fixed that the Net Income (i.e., Gross Revenues less Maintenance and Operating Expenses) of the Electric System shall be at least equal to 1.10 times the amount necessary to pay principal and interest (including mandatory sinking account redemption payments), as the same become due, on all Bonds and Parity Obligations.

“Gross Revenues” pursuant to the Fiscal Agent Agreement means all revenues (as defined in Section 54315 of the Government Code of the State of California, which include all charges received for and all other income and receipts derived by the Water and Power Department of the City (the “Department”) from the operation of the Electric System or arising from the Electric System) received by the Department from the services, facilities, energy and distribution of electric energy by the Department, including (i) income from investments, and (ii) for the purposes of determining compliance with the rate covenant in the Fiscal Agent Agreement only, the amounts on deposit in the Reserve for Stranded Investment established by the City pursuant to Ordinance No. 6695 of the City, adopted by the City Council of the City on November 25, 1996, or in any other unrestricted funds of the Electric System designated by the City Council by resolution (or by approval of a budget of the Light and Power Fund providing for such transfer) and available for the purpose of paying Maintenance and Operating Expenses and/or debt service on the Bonds and/or any Parity Obligations, but excepting therefrom (a) all reimbursement charges and deposits to secure service and (b) any charges collected by any person to amortize or otherwise relating to the payment of the uneconomic portion of costs associated with assets and obligations (“stranded costs”) of the Electric System or of any joint powers agency in which the City participates which the City has dedicated to the payment of obligations other than the Bonds or any Parity Obligations then outstanding, the payments of which obligations will be applied to or pledged to or otherwise set aside for the reduction or retirement of outstanding obligations of the City or any joint powers agency in which the City participates relating to such “stranded costs” of the City or of any such joint powers agency to the extent such “stranded costs” are attributable to, or the responsibility of, the City.

“Maintenance and Operating Expenses” means the amount required to pay the reasonable expenses of management, repair and other costs, of the nature of costs which have historically and customarily been accounted for as such, necessary to operate, maintain and preserve the Electric System in good repair and working order, including but not limited to, the cost of supply and transmission of electric energy under long-term contracts or otherwise and the expenses of conducting the Electric System, but excluding depreciation. “Maintenance and Operating Expenses” will include all amounts required to be paid by the City under contract with a joint powers agency for purchase of capacity, energy, transmission capability or any other commodities or services in connection with the foregoing, which contract requires payments by the City to be made thereunder to be treated as Maintenance and Operating Expenses.

The general fund of the City is not liable for the payment of any 2019A Bonds, any premium thereon upon redemption prior to maturity, or their interest, nor is the credit or taxing power of the City pledged for the payment of any 2019A Bonds, any premium thereon upon redemption prior to maturity, or their interest. The Owner of any 2019A Bond shall not compel the exercise of the taxing power by the City or the forfeiture of any of its property. The principal of and interest on any 2019A Bonds and any premiums upon the redemption thereof prior to maturity are not a debt of the City nor a legal or equitable pledge, charge, lien or encumbrance upon any of its property or upon any of its income, receipts or revenues, except the Net Income and other funds, security or assets which are pledged to the payment of the 2019A Bonds, interest thereon and any premiums upon redemption.

Parity Reserve Fund

Pursuant to the Fiscal Agent Agreement, the City has established and agreed to maintain the Parity Reserve Fund in an amount equal to the Reserve Fund Requirement. See “Springing Amendments to Fiscal Agent Agreement” below.

“Reserve Fund Requirement” is defined in the Fiscal Agent Agreement to mean, as of any date of determination and excluding therefrom any Parity Obligations for which no reserve fund is to be maintained or for which a separate reserve fund is to be maintained, the least of (a) 10% of the initial offering price to the public of each Series of Bonds and Parity Obligations to be secured by the Parity Reserve Fund as determined under the Internal Revenue Code of 1986 (the “Code”), or (b) the maximum Annual Debt Service on all Bonds and Parity Obligations to be secured by the Parity Reserve Fund, or (c) 125% of the Average Annual Debt Service on all Bonds and Parity Obligations to be secured by the Parity Reserve Fund, all as computed and determined by the City; provided, that such requirement (or any portion thereof) may be provided by the City delivering to the Fiscal Agent for credit to the Parity Reserve Fund one or more policies of municipal bond insurance or surety bonds issued by a municipal bond insurer if the obligations insured by such insurer have ratings at the time of issuance of such policy or surety bond equal to “Aaa” assigned by Moody’s Investors Service and “AAA” assigned by Standard & Poor’s Rating Services, a Division of the McGraw Hill Companies (“Standard & Poor’s”) (and if such insurance company is rated by A.M. Best & Company, such insurance company is rated in the highest rating category by A.M. Best & Company) or by a letter of credit issued by a bank or other institution if the obligations issued by such bank or other institution

have ratings at the time of issuance of such letter of credit equal to “Aa2” or higher assigned by Moody’s Investors Service and “AA” or higher assigned by Standard & Poor’s.

Amounts in the Parity Reserve Fund shall be transferred by the City to the Parity Obligation Payment Fund to pay principal of and interest on the Bonds and Parity Obligations secured by the Parity Reserve Fund in the event amounts on deposit therein are insufficient for such purposes.

Book-Entry Only

The 2019A Bonds will be issued as fully registered bonds and, when issued will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as security depository for the 2019A Bonds. Individual purchases of the 2019A Bonds will be made in book-entry form only, in denominations of \$5,000 principal amount or any integral multiple thereof. Payments of principal of, and interest and premium, if any, on the 2019A Bonds will be paid by the Fiscal Agent to DTC, which is obligated in turn to remit such principal, premium, if any, and interest to its DTC Participants for subsequent disbursement to the beneficial owners of the 2019A Bonds.

Interest Payment Dates

The 2019A Bonds will be dated the date of delivery and interest will be payable semiannually on each February 1 and August 1, commencing February 1, 2020, to holders of record on the preceding January 15 and July 15, respectively, until maturity or redemption.

Principal Amortization*

The 2019A Bonds shall be subject to principal amortization on August 1 in the following years and amounts described in the following table, subject to the adjustments described below:

<u>Maturity (August 1)</u>	<u>Principal Amount*</u>
2020	
2021	
2022	
2023	
2024	

* Preliminary, subject to adjustment as described below.

Adjustment of Principal Amounts and Amortization Schedule

The principal amounts set forth in this Notice Inviting Bids reflect certain estimates of the City and its Municipal Advisor with respect to the possible interest rates of the winning bid and the premium, if any, contained in the winning bid. The principal amortization schedule may be changed prior to the time bids are to be received and, if adjustments are made, bidders must bid on the basis of the adjusted schedule. Such changes, if any, will be communicated through MuniOS or Thomson Municipal News not later than 1:00 p.m., Pacific time, on the business day

prior to the bid opening. After selecting the winning bid, the principal amount of the 2019A Bonds and amortization schedule may be adjusted in \$5,000 increments as necessary in the determination of the Municipal Advisor to reflect the actual interest rates and any premium in the winning bid and to achieve the City's debt structuring objectives. Such adjustments after the selection of the winning bid will not change the principal amount due on the 2019A Bonds in any year by more than the greater of (i) \$200,000 or (ii) ten percent (10%) of the preliminary principal amount in any given year. Any such adjustment will be communicated to the winning bidder within 24 hours after acceptance of the bids. Changes in the amortization schedule made subsequent to bid opening as described above will not affect the determination of the winning bidder or give the winning bidder any right to reject the 2019A Bonds. The winning bidder may not withdraw its bid or change the interest rates bid as a result of any changes to the principal payments of the 2019A Bonds in accordance with this Notice Inviting Bids; further, the dollar amount of the price bid will be changed so that the percentage of net compensation paid to the winning bidder will not increase or decrease from what it would have been if no adjustments had been made by the City.

Serial Bonds Only

Bidders may not provide that the 2019A Bonds be issued as term bonds.

No Redemption

The 2019A Bonds shall not be subject to redemption prior to maturity.

Fiscal Agent

The Bank of New York Mellon Trust Company, N.A., Los Angeles, California is the Fiscal Agent for the payment of principal of, premium, if any, and interest on the 2019A Bonds and for the registration of the 2019A Bonds.

Legal Opinion

The City will furnish to the successful bidder at the closing of the 2019A Bonds, the legal opinion of Bond Counsel, Nixon Peabody LLP, that under existing law, interest on the 2019A Bonds is exempt from personal income taxes of the State of California and that based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2019A Bonds is excluded from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986 and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel will express no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the 2019A Bonds.

Continuing Disclosure

In order to assist bidders in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), the City will undertake, pursuant to a Continuing Disclosure Agreement, to

provide certain annual financial information and notices of the occurrence of certain events. A form of the Continuing Disclosure Agreement is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

Due to the implementation of a new enterprise resource planning system, the City was 59 days late in filing its unaudited financial statements of the Light and Power Fund and did not file its unaudited Comprehensive Annual Financial Report but rather filed its audited Comprehensive Annual Financial Report when it became available on February 29, 2016.

TERMS OF SALE

Interest Rates and Limits on Purchase Price

No bid for other than all of the 2019A Bonds will be considered.

Bidders must specify a rate of interest for each maturity of the 2019A Bonds. The rates of interest must be expressed in multiples of one-eighth (1/8) or one-twentieth (1/20) of one percent (1%), and the true interest cost to the City shall not exceed three percent (3%) per annum. All 2019A Bonds of the same maturity must bear the same rate of interest. No 2019A Bonds may bear a rate of interest greater than six percent (6%).

Bidders must bid to purchase the 2019A Bonds with an aggregate price of (i) not more than one hundred _____ percent (1___%) of the principal amount thereof and (ii) not less than one hundred _____ percent (1___%) of the principal thereof.

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

Award

If satisfactory bids are received, the 2019A Bonds will be awarded to the highest responsible bidder. The highest bid will be that which results in the lowest True Interest Cost. The True Interest Cost shall be computed by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments from their respective payment dates to the date of the 2019A Bonds and to the price bid. In the event that two or more bidders have bid the same True Interest Cost, the award shall be made at the discretion of the City.

Right of Rejection

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

Equal Opportunity

It is the policy of the City that disadvantaged business enterprises (“DBE”) and all other business enterprises have an equal opportunity to participate in the performance of the City

contracts. Bidders are required to make a good faith effort to reach out to the DBEs to ensure they have equal opportunity to compete for the purchase of the 2019A Bonds.

Insurance

The successful bidder shall not purchase municipal bond insurance in connection with the 2019A Bonds.

Form of Bid and Surety Bond

Bidders must purchase the 2019A Bonds at a price equal to the principal amount thereof plus a premium. (See “Interest Rates and Limits on Purchase Price” above.) Each bid must be delivered by electronic transmission, as described below, and received by 9:30 a.m., Pacific time, July 22, 2019. Each bid must be in accordance with the terms and conditions set forth in this Notice Inviting Bids.

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

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

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

Good Faith Deposit

Each bidder must provide prior to the time the bids are examined a deposit in the amount of \$115,000 (the “Good Faith Deposit”) in the form of (i) a financial surety bond (“Surety Bond”) issued by an insurance company rated in one of the top two rating categories by Moody’s Investors Service, Fitch Ratings or Standard & Poor’s Ratings Services, without regard to any modification of the rating and licensed to issue such a bond in the State of California, naming the City as the beneficiary and identifying the bidder whose deposit is guaranteed by the Surety Bond, or (ii) a wire transfer of immediately available federal funds.

Surety Bonds. Any Surety Bond may be submitted by facsimile transmission to 626-440-7036 or electronic mail to verganian@cityofpasadena.net, stthomas@cityofpasadena.net, and esoong@pragadvisors.com prior to the deadline for the examination of the bids. If the successful bidder has provided a Surety Bond, such bidder shall wire transfer to the City the amount of the Good Faith Deposit in immediately available federal funds not later than 12:00 noon (Pacific Time) on the business day next succeeding the day of acceptance of the proposal, which amount shall be deposited in a fund held by the City and applied to the purchase price of the 2019A Bonds. If the City has not received such federal funds wire transfer by the time stated, the City may draw upon the Surety Bond to satisfy the successful bidder's deposit requirements.

Wire Transfers. Any Good Faith Deposit wire transfers must be received in federal funds prior to the deadline for the examination of the bids. Contact the City's Municipal Advisor, Public Resources Advisory Group, 310-477-8487 or by e-mail at esoong@pragadvisors.com for wiring information.

Each bidder submitting the Good Faith Deposit by wire transfer must also (i) send an email to the attention of verganian@cityofpasadena.net, stthomas@cityofpasadena.net, and esoong@pragadvisors.com and to the attention of patty.ramirez@baml.com and dedicatdwegov@bankofamerica.com providing the name of the bidder entity and contact person and notifying the City of the delivery of such wire transfer and referencing "Electric 2019A Series Good Faith Wire Transfer"; (ii) include with such e-mail notification, wiring and/or mailing instructions for the return of the wire transfer should the bidder be unsuccessful and (iii) obtain a confirmation from one of the foregoing persons of the receipt of such Good Faith Deposit and instructions. Failure to provide such information will delay return of such Good Faith Deposit. The wire transfers of unsuccessful bidders will be returned promptly after the examination of bids. The wire transfer of the successful bidder will be retained by the City and applied to the purchase price of the 2019A Bonds when the 2019A Bonds are delivered. The City disclaims any liability for funds sent by wire transfer, except for any willful misconduct or reckless disregard for its duties.

Liquidated Damages; No Interest. No interest will be paid upon the Good Faith Deposit made by any bidder. The Good Faith Deposit of the successful bidder will, immediately upon acceptance of its bid, become the property of the City to be held and invested for the exclusive benefit of the City. The principal amount of such Good Faith Deposit shall be applied to the purchase price of the 2019A Bonds at the time of delivery thereof.

If the purchase price is not paid in full upon delivery of the 2019A Bonds, the successful bidder shall have no right in or to the 2019A Bonds or to the recovery of its Good Faith Deposit, or to any allowance or credit by reason of such Good Faith Deposit, unless (i) it shall appear that the 2019A Bonds would not be validly issued if delivered to the successful bidder in the form and manner proposed or (ii) as provided in "Right of Cancellation by Bidder" below. Except as provided in the prior sentence, in the event of nonpayment by the successful bidder, the amount of the Good Faith Deposit shall be retained by the City. Notwithstanding the foregoing, should the successful bidder fail to pay for the 2019A Bonds at the price and on the date agreed upon, the City retains the right to seek further compensation for damages sustained as a result of the successful bidder so doing.

Estimate of True Interest Cost

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

Prompt Award

The City, acting through its Director of Finance, will conditionally award the 2019A Bonds or reject all bids not later than 24 hours after the expiration of the time herein prescribed for the receipt of proposals, unless such time of award is waived by the successful bidder. Notice of the conditional award will be given promptly to the successful bidder. The City will endeavor to obtain City Council confirmation and ratification of the award within such 24-hour period, but such confirmation and ratification, which is a condition of closing, may occur at any time prior to delivery of the 2019A Bonds.

Establishment of Issue Price

(a) The successful bidder shall assist the City in establishing the issue price of the 2019A Bonds in accordance with applicable requirements of the Internal Revenue Code, and shall execute and deliver to the City at Closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the 2019A Bonds, together with the supporting pricing wires or equivalent communications, substantially in one of the forms attached hereto as Exhibit A, as applicable, with such modifications as may be appropriate or necessary, in the reasonable judgment of the City and Bond Counsel. All actions to be taken by the City under this Notice Inviting Bids to establish the issue price of the 2019A Bonds may be taken on behalf of the City by the City’s Municipal Advisor identified herein and any notice or report to be provided to the City may be provided to the City’s Municipal Advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the 2019A Bonds) will apply to the initial sale of the 2019A Bonds (the “Competitive Sale Requirements”) because:

- (1) the City shall disseminate this Notice Inviting Bids to potential Underwriters (as defined below) in a manner that is reasonably designed to reach such potential Underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City anticipates receiving bids from at least three Underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the 2019A Bonds to the bidder who submits a firm offer to purchase the 2019A Bonds at the highest price (or lowest interest cost), as set forth in this Notice Inviting Bids.

Any bid submitted pursuant to this Notice Inviting Bids shall be considered a firm offer for the purchase of the 2019A Bonds, as specified in the bid.

(c) In the event that the Competitive Sale Requirements are not satisfied, the City shall so advise the successful bidder. In such event, the City shall treat the first single price at which 10% of a Maturity (defined below) of the 2019A Bonds (the “10% test”) is sold to the public as the issue price of that Maturity, applied on a Maturity-by-Maturity basis (and if different interest rates apply within a Maturity, to each separate CUSIP number within that Maturity), EXCEPT any Maturity of the 2019A Bonds identified by the successful bidder in writing within four hours of the time of the award as a hold-the-offering-price Maturity (each a “HTP Maturity”). Each HTP Maturity will be subject to the “Hold-the-Offering-Price Requirements” further described and set forth in subsection (e) below. **Bids will NOT be subject to cancellation in the event that the Competitive Sale Requirements are not satisfied.**

(d) In the event that the Competitive Sale Requirements are not satisfied, the successful bidder shall advise the City, within four hours of the time of award of the 2019A Bonds, which Maturities of the 2019A Bonds satisfy the 10% Test as of the date of award, and confirm any HTP Maturities which shall be subject to the Hold-the-Offering-Price Requirements. For each Maturity of the 2019A Bonds that does not satisfy the 10% Test, except for any HTP Maturity identified in writing within four hours of the time of award, the successful bidder agrees to promptly report to the City the prices at which the unsold 2019A Bonds of that Maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% Test has been satisfied as to the 2019A Bonds of that Maturity or until all 2019A Bonds of that Maturity have been sold.

(e) By submitting a bid, each bidder (i) confirms that the bidder has offered or will offer the 2019A Bonds to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the bidder and (ii) on behalf of the Underwriters participating in the purchase of the 2019A Bonds with the bidder, for each HTP Maturity identified and confirmed by the successful bidder, that such Underwriters will neither offer nor sell unsold 2019A Bonds of any such HTP Maturity to which the Hold-the-Offering-Price Requirements described in this subsection (e) shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least 10% of that HTP Maturity to the public at a price that is no higher than the initial offering price to the public.

The successful bidder shall promptly advise the City when the Underwriters have sold 10% of each HTP Maturity of the 2019A Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

(f) The City acknowledges that, in making the representation set forth in subsection (e) above, the successful bidder will rely upon (i) the agreement of each Underwriter to comply with the Hold-the-Offering-Price Requirements, as set forth in an agreement among Underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the 2019A Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the Hold-the-Offering-Price Requirements, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the 2019A Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the Hold-the-Offering-Price Requirements, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the Hold-the-Offering-Price Requirements and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the Hold-the-Offering-Price Requirements as applicable to the 2019A Bonds.

(g) By submitting a bid, each bidder confirms that any agreement among Underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the 2019A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each Maturity allotted to it until it is notified by the successful bidder that either the 10% Test has been satisfied as to a Maturity or all Bonds of that Maturity have been sold to the public and (B) comply with the Hold-the-Offering-Price Requirements, in the event that the bidder intends to utilize the Hold-the-Offering-Price Requirements, in each case if and for so long as directed by the successful bidder and as set forth in the related pricing wires.

(h) Sales of any Bonds to any person that is a Related Party to an Underwriter shall not constitute sales to the public for purposes of this Notice Inviting Bids. Further, for purposes of this Notice Inviting Bids:

(1) “Public” means any person other than an Underwriter or a Related Party;

(2) “Underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the 2019A Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the 2019A Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the 2019A Bonds to the public);

(3) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities;

(4) a purchaser of any of the 2019A Bonds is a “Related Party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(5) “Sale Date” means the date that the 2019A Bonds are awarded by the City to the successful bidder.

California Debt and Investment Advisory Commission

The successful bidder will be required to pay any fees due to the California Debt and Investment Advisory Commission (“CDIAC”) under California law. CDIAC will invoice the successful bidder after the delivery of the 2019A Bonds.

CUSIP Numbers and Other Fees

It is anticipated that CUSIP numbers will be printed on the 2019A Bonds, but neither the failure to print such numbers on any 2019A Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and pay for said 2019A Bonds in accordance herewith. The City’s Municipal Advisor, Public Resources Advisory Group, will apply for CUSIP numbers for the 2019A Bonds and will submit the CUSIP numbers to Parity to be provided to all bidders. All charges of the CUSIP Service Bureau for the assignment of CUSIP numbers for the 2019A Bonds shall be paid by the successful bidder. The successful bidder shall also be required to pay all fees required by DTC, the Securities Industry and Financial Markets Association, the Municipal Securities Rulemaking Board and any other similar entity imposing a fee in connection with the issuance and delivery of the 2019A Bonds.

No Litigation

There is no litigation pending concerning the validity of the 2019A Bonds, the corporate existence of the City, or the title of the officers thereof to their respective offices, and the City will furnish to the successful bidder a no-litigation certificate certifying to the foregoing as of and at the time of the delivery of the 2019A Bonds.

Official Statement

The City has approved a Preliminary Official Statement dated _____, 2019, which the City has “deemed final” for purposes of Rule 15c2-12 (the “Rule”) of the Securities and Exchange Commission although subject to revision, amendment and completion in a final Official Statement in conformity with such Rule. The City will furnish to the successful bidder,

at no expense to the successful bidder, within seven (7) business days of the award date, the Official Statement, in electronic format.

Certificate Regarding Official Statement

The City will provide to the successful bidder of the 2019A Bonds a certificate, signed by a responsible officer, confirming to the successful bidder that, at the time of the acceptance of its bid for the 2019A Bonds and at the time of delivery thereof, the Preliminary Official Statement and the final Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

Delivery and Payment

Delivery of the 2019A Bonds is expected to occur on or about August 1, 2019. The 2019A Bonds will be delivered in New York, New York (by Fast Automated Securities Transfer) to DTC. The successful bidder shall pay for the 2019A Bonds on the date of delivery in Federal Reserve Bank funds or equivalent immediately available funds. Payment on the delivery date shall be made in an amount equal to the price bid for the 2019A Bonds less the amount of the Good Faith Deposit. Any expense of providing immediately available funds, whether by transfer of Federal Reserve Bank funds or otherwise, shall be borne by the successful bidder.

Right of Cancellation by City

The City reserves the right at any time prior to and including the day of the bid opening, to cancel the public sale of the 2019A Bonds. In such event, the City shall cause notice of the cancellation of this invitation for bids and the public sale of the 2019A Bonds to be communicated through MuniOS or Thomson Municipal News as promptly as practicable. However, no failure to publish such notice, failure of any prospective bidder to receive such notice or any defect or omission therein shall affect the cancellation of the public sale of the 2019A Bonds.

Right of Cancellation by Bidder

The successful bidder shall have the right, at its option, to cancel its obligation to purchase the 2019A Bonds if the City shall fail to execute the 2019A Bonds and tender the same for delivery within 30 days from the date of award thereof, and in such event the successful bidder shall be entitled to the return of the Good Faith Deposit accompanying its proposal.

Springing Amendments to Fiscal Agent Agreement

Terms of Amendments. The amendments to the Fiscal Agent Agreement described below shall become effective upon the earlier to occur of: (i) the first date upon which the City has filed with the Fiscal Agent the written consent of a majority of the aggregate principal amount of Bond Obligations of the Bonds Outstanding as of the effective date of the Eighth Supplement (but excluding the 2013A Bonds for the purposes of such calculation), or any

consent in lieu thereof in accordance with Section 8.01 of the Fiscal Agent Agreement has been obtained, or (ii) the first date upon which all of the Outstanding 2010A Bonds and 2012A Bonds have been defeased, paid or discharged in accordance with their terms and are no longer Outstanding for purposes of the Fiscal Agent Agreement. The purchase of Bonds issued pursuant to the Fiscal Agent Agreement after the effective date of the Eighth Supplement shall constitute the consent of such purchasers, as Bond Owners, to the amendments in Article VIII of the Fiscal Agent Agreement.

Reserve Fund Requirement. The definition of “Reserve Fund Requirement” set forth in Section 1.02 of the Fiscal Agent Agreement is amended and restated in its entirety as follows:

“Reserve Fund Requirement” means, as of any date of determination and excluding therefrom any Parity Obligations for which no reserve fund is to be maintained or for which a separate reserve fund is to be maintained, the least of (a) ten percent (10%) of the initial offering price to the public of each Series of Bonds and Parity Obligations to be secured by the Parity Reserve Fund as determined under the Code, or (b) the maximum Annual Debt Service on all Bonds and Parity Obligations to be secured by the Parity Reserve Fund, or (c) one hundred twenty-five percent (125%) of the Average Annual Debt Service on all Bonds and Parity Obligations to be secured by the Parity Reserve Fund, all as computed and determined by the City; provided, that such requirement (or any portion thereof) may be provided by the City delivering to the Fiscal Agent for credit to the Parity Reserve Fund one or more policies of municipal bond insurance or surety bonds issued by a municipal bond insurer if the obligations insured by such insurer have ratings at the time of issuance of such policy is in one of the two highest rating categories of Moody’s, Standard & Poor’s or Fitch or by a letter or credit issued by a bank or other institution if the obligations issued by such bank or other institution have ratings at the time of issuance of such letter of credit in one of the two highest rating categories of Moody’s, Standard & Poor’s or Fitch.

Investment of Moneys in the Parity Reserve Fund. The last sentence of the second paragraph of Section 4.04 is amended and restated in its entirety as follows:

“Investment Securities purchased as an investment of moneys in the Parity Reserve Fund may not have maturities extending beyond ten (10) years.”

Additional Information

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

Date: _____, 2019

/s/ Matthew Hawkesworth

Director of Finance
City of Pasadena

EXHIBIT A
ISSUE PRICE CERTIFICATE

**(VERSION 1 – USED IF COMPETITIVE SALE REQUIREMENTS ARE SATISFIED
(I.E., 3 BIDS FROM COMPETITIVE PROVIDERS ARE RECEIVED))**

This certificate is being delivered by _____, the purchaser (the “Purchaser”) in connection with the issuance by the City of Pasadena, California (the “City”) of the City of Pasadena, California Electric Revenue Refunding Bonds, 2019A Series (the “Bonds”). The Purchaser hereby certifies and represents that:

1. *Reasonably Expected Initial Offering Price.*

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed on Schedule A attached hereto (the “Initial Offering Prices”). The Initial Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

2. *Defined Terms.*

(a) *Maturity* means the Bonds maturing on the same date and bearing the same credit and payment terms. Bonds with different payment dates, or Bonds with the same payment date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter. The term “Related Party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2019.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Nixon Peabody LLP, Bond Counsel, in connection with rendering its opinion that the interest evidenced by the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the City from time to time relating to the Bonds. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein.

[PURCHASER]

By: _____

Name: _____

Dated: [EXECUTION AND DELIVERY DATE]

ISSUE PRICE CERTIFICATE

[VERSION 2 – USED IF THE COMPETITIVE SALE REQUIREMENTS ARE NOT SATISFIED AND PURCHASER ELECTS TO UTILIZE THE 10% TEST FOR ALL MATURITIES]

This certificate is being delivered by _____, the purchaser (the “Purchaser”) in connection with the issuance by the City of Pasadena (the “City”) of the City of Pasadena, California Electric Revenue Refunding Bonds, 2019A Series (the “Bonds”). The Purchaser hereby certifies and represents that:

1. As of the date hereof, other than the Bonds listed on Schedule A hereto as undersold maturities (the “Undersold Maturities”), the first single price or yield at which at least 10% of each Maturity of the Bonds was sold by the Purchaser to the Public was the price set forth on Schedule A hereto.

2. With respect to the Undersold Maturities, the Purchaser agrees to notify the City in writing of the first single price or yield at which at least 10% of each such Undersold Maturity is ultimately sold by the Purchaser to the Public as soon as practicable after such applicable sales have occurred. If all of an Undersold Maturity is sold to the Public but not more than 10% of the Undersold Maturity is sold by the Purchaser to the Public at any particular price or yield, the Purchaser agrees to notify the City in writing of the amount of the Undersold Maturity sold by the Purchaser to the Public at each of the respective prices or yields at which the Undersold Maturity is sold to the Public.

3. *Defined Terms.*

(a) *Maturity* means the Bonds maturing on the same date and bearing the same credit and payment terms. Bonds with different payment dates, or Bonds with the same payment date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter. The term “Related Party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2019.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including

specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Nixon Peabody LLP, Bond Counsel, in connection with rendering its opinion that the interest evidenced by the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the City from time to time relating to the Bonds. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein.

[PURCHASER]

By: _____

Name: _____

Dated: [EXECUTION AND DELIVERY DATE]

ISSUE PRICE CERTIFICATE

[VERSION 3 --- USED IF THE COMPETITIVE SALE REQUIREMENTS ARE NOT SATISFIED AND PURCHASER SELECTS HOLD-THE-OFFERING-PRICE RULE FOR CERTAIN MATURITIES

This certificate is being delivered by _____, the purchaser (the “Purchaser”) in connection with the issuance by the City of Pasadena (the “City”) of the City of Pasadena, California Electric Revenue Refunding Bonds, 2019A Series (the “Bonds”). The Purchaser hereby certifies and represents that:

1 As of the date hereof, other than the Bonds listed on Schedule A hereto as undersold maturities (the “Undersold Maturities”), the first single price or yield at which at least 10% of each Maturity of the Bonds was sold by the Purchaser to the Public was the price set forth on Schedule A hereto.

2. For each Undersold Maturity indicated on Schedule A as a 10% Rule Maturity (an “Undersold 10% Rule Maturity”), the Purchaser agrees to notify the City in writing of the first single price or yield at which at least 10% of each such Undersold 10% Rule Maturity is ultimately sold by the Purchaser to the Public as soon as practicable after such applicable sales have occurred. If all of an Undersold 10% Rule Maturity is sold to the Public but not more than 10% of the Undersold 10% Rule Maturity is sold by the Purchaser to the Public at any particular price or yield, the Purchaser agrees to notify the City in writing of the amount of the Undersold 10% Rule Maturity sold by the Purchaser to the Public at each of the respective prices or yields at which the Undersold 10% Rule Maturity is sold to the Public.

3. The Purchaser offered the Bonds to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

4. As set forth in the Official Notice Inviting Bids and bid award, the Purchaser has agreed in writing that, (i) for each Undersold Maturity of the Bonds identified on Schedule A as a HTP Maturity (an “Undersold HTP Maturity”), it would neither offer nor sell any of the Bonds of such Undersold HTP Maturity to any person at a price that is higher than the Initial Offering Price for such Undersold HTP Maturity during the Holding Period for such Undersold HTP Maturity (the “Hold-the-Offering-Price Requirement”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the Hold-the-Offering-Price Requirement. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Undersold HTP Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Undersold HTP Maturity of the Bonds during the Holding Period.

5. *Defined Terms.*

(a) *Holding Period* means, with respect to a HTP Maturity, the period starting on the Sale Date (_____) and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriters have sold at least 10% of such Undersold HTP Maturity to the Public at prices that are no higher than the Initial Offering Price for such Undersold HTP Maturity.

(b) *Maturity* means the Bonds maturing on the same date and bearing the same credit and payment terms. Bonds with different payment dates, or Bonds with the same payment date but different stated interest rates, are treated as separate Maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter. The term "Related Party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is ____, 2019.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Nixon Peabody LLP, Bond Counsel, in connection with rendering its opinion that the interest evidenced by the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the City from time to time relating to the Bonds. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein.

[PURCHASER]

By: _____

Name: _____

Dated: [EXECUTION AND DELIVERY DATE]

SCHEDULE A TO ISSUE PRICE CERTIFICATE

TO BE USED IF COMPETITIVE SALE REQUIREMENTS ARE NOT SATISFIED

THE PURCHASER SHALL IDENTIFY WHICH MATURITIES OF THE BONDS WILL BE SUBJECT TO THE 10% RULE AND WHICH TO THE HOLD-THE-OFFERING PRICE RULE AS DESCRIBED IN THE OFFICIAL NOTICE INVITING BIDS.

<u>Payment Date (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Issue Price</u>	<u>10% Rule Maturity</u>	<u>HTP Maturity</u>
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SCHEDULE B TO ISSUE PRICE CERTIFICATE
PRICING WIRE (OR EQUIVALENT COMMUNICATION) (OR BID SUBMITTED, AS
APPLICABLE)