

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, 2009
SERIES OF SAID CITY; APPROVING A NOTICE OF INTENTION TO
SELL BONDS, A PRELIMINARY OFFICIAL STATEMENT, 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, 2009 Series (the "2009 Bonds") of the City of Pasadena, California (the "City") and that the 2009 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 2009 Bonds shall be received by the Director of Finance of the City 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 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 the Pasadena Star-News, 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 2009 Bonds.

Section 3. The Director of Finance is further authorized and directed to publish a Notice of Intention to Sell Bonds by one insertion in The Bond Buyer, a financial publication generally circulated throughout California and reasonably expected to be disseminated among prospective bidders for the 2009 Bonds, at least five days prior to the date of receiving proposals for the purchase of the 2009 Bonds.

Section 4. The City Council hereby approves the Preliminary Official Statement 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 may determine necessary, to be furnished to prospective bidders for the 2009 Bonds as provided in Section 5 hereof. The City authorizes the Director of Finance 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 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 Bond Counsel to the City and approved by such officers and employees, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The Director of Finance 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 2009 Bonds, the Electric Revenue Bond Fiscal Agent Agreement, the Fifth Supplement to Electric Revenue Bond Fiscal Agent Agreement providing for the issuance of the 2009 Bonds as approved pursuant to said Ordinance, and the Preliminary Official Statement. The Director of Finance 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 2009 Bonds has been accepted by the Director of Finance, 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 2009 Bonds, such number of copies of the final Official Statement as may be reasonably required.

Section 6. The Director of Finance 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 to be reasonably calculated to reach potential bidders for the 2009 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 2009 Bonds are awarded, and should at a later date determine that it is desirable to receive bids for the 2009 Bonds, then the Director of Finance 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.

Section 7. The City Council shall award the 2009 Bonds at the time and date specified in the Notice Inviting Bids by subsequent City Council action. 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 2009 Bonds are received, the Director of Finance or his designee is hereby authorized and directed on behalf of the City to accept the best bid for the 2009 Bonds received pursuant to and subject to the terms and conditions set forth in the Notice Inviting Bids and to award the 2009 Bonds to such best bidder (or reject all bids) and to take such other actions as the Director of Finance deems appropriate, consistent with the provisions hereof, and upon such award, the interest rate or rates on the 2009 Bonds as have been bid by the best bidder so awarded the 2009 Bonds shall be fixed.

Section 8. The Director of Finance is authorized (but not required), for and in the name and on behalf of the City, to procure bond insurance for the 2009 Bonds on such terms and conditions as they may approve following consultation with the financial advisor to the City. The Director of Finance or his designee is hereby authorized to execute and deliver such commitments or other instruments as they may determine to be necessary or appropriate in connection with such bond insurance, such determination to be conclusively evidenced by the execution and delivery thereof.

Section 9. The law firm of Fulbright & Jaworski L.L.P., Los Angeles, California, is hereby retained as Bond Counsel and Disclosure Counsel in connection with the issuance of the 2009 Bonds, upon such terms and conditions as shall be approved by the Director of Finance.

Section 10. The firm of Public Resources Advisory Group, Los Angeles, California, is hereby retained as financial advisor in connection with the issuance of the 2009 Bonds, upon such terms and conditions as shall be approved by the Director of Finance.

ADOPTED at a regular meeting of the City Council this 14th day of September, 2009, by the following vote:

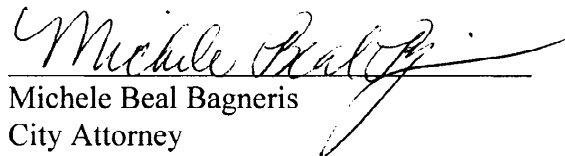
AYES:

NOES:

ABSENT:

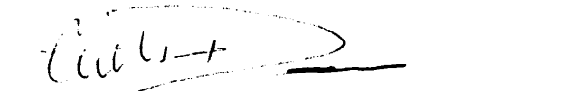
APPROVED AS TO FORM:

ATTEST:


Michele Beal Bagneris
City Attorney

Mark Jomsky
City Clerk

APPROVED AS TO FORM:



Cecilia Dyba
Fulbright & Jaworski L.L.P.
Bond Counsel

Exhibit A
Notice of Intention to Sell Bonds

Exhibit B
Notice Inviting Bids

Exhibit A
Notice of Intention to Sell Bonds

NOTICE OF INTENTION TO SELL BONDS

\$35,260,000*
CITY OF PASADENA, CALIFORNIA
ELECTRIC REVENUE REFUNDING BONDS, 2009 SERIES

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

10:00 a.m., Pacific time on Monday, November 2, 2009

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, 11845 West Olympic Boulevard, Suite 640, Los Angeles, California 90064, Attention: Edmund Soong (telephone (310) 477-8487; fax (310) 477-0105), or can be obtained online at <http://www.imagemaster.com/>.

Date: October __, 2009

/s/ ANDREW GREEN
Director of Finance
City of Pasadena

* Preliminary, subject to adjustment as set forth in the Notice Inviting Bids.

Exhibit B
Notice Inviting Bids

NOTICE INVITING BIDS

CITY OF PASADENA, CALIFORNIA

Electric Revenue Refunding Bonds, 2009 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

**Monday, November 2, 2009
at 10:00 A.M. Pacific time,**

for the purchase of \$35,260,000 (approximate) aggregate principal amount of City of Pasadena, California Electric Revenue Refunding Bonds, 2009 Series (the “2009 Bonds”), more particularly described herein. See “TERMS OF SALE—Good Faith Deposit” and “Form of Bid—Warnings Regarding Electronic Bids” herein.

The City reserves the right to cancel or reschedule the sale of the 2009 Bonds or change the terms thereof upon notice given through Thomson Municipal News prior to the time bids are to be received. If the sale is rescheduled, bids will be received electronically as set forth above, at such date and time as the City shall determine. Notice of the new sale date, time and terms, if any, will be given through Thomson Municipal News as soon as practicable prior to the new time bids are to be received.

TERMS OF THE 2009 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 2009 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 2009 Bonds

The bids will be received at the above time and place, will be opened by the Director of Finance of the City, and the award of the 2009 Bonds is expected to be confirmed by the City at the City Council meeting later that day.

The Issue

The 2009 Bonds are being issued by the City for the purpose of providing moneys (i) to refund a portion of the City’s outstanding Electric Revenue/Refunding Bonds, 1998 Series (the “1998 Bonds”) and (ii) to pay the costs of issuance of the 2009 Bonds.

Authority For Issuance

The 2009 Bonds are authorized and issued pursuant to Article XIV of the City Charter, an Ordinance adopted by the City Council of the City on September __, 2009 (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 amended and supplemented, and as further amended and supplemented by a Fifth Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of November 1, 2009 (the "Fifth Supplement"), to be executed simultaneously with the delivery of the 2009 Bonds (together with the Master Fiscal Agent Agreement as previously amended and supplemented, the "Fiscal Agent Agreement"). The City has previously issued \$70,635,000 principal amount of its 1998 Bonds (a portion of the outstanding 1998 Bonds to be refunded with proceeds of the 2009 Bonds), \$82,320,000 principal amount of its Electric Revenue Bonds, 2002 Series (the "2002 Bonds"), \$9,905,000 principal amount of its Electric Revenue Bonds, 2003 Series (the "2003 Bonds") and \$58,555,000 principal amount of its Electric Revenue Bonds, 2008 Series (the "2008 Bonds"), each pursuant to the Fiscal Agent Agreement. The 2009 Bonds will be issued on a parity with the unrefunded 1998 Bonds, the 2002 Bonds, the 2003 Bonds and the 2008 Bonds to remain outstanding upon delivery of the 2009 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 2009 Bonds, the 2008 Bonds, the 2003 Bonds, the 2002 Bonds, the 1998 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 October __, 2009, relating to the 2009 Bonds (the "Preliminary Official Statement"), for definitions of terms and for further particulars, including further information regarding the 2009 Bonds. Terms not defined herein shall have the meanings given to them in the Fiscal Agent Agreement. 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 2009 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 2009 Bonds are an obligation solely payable from the Light and Power Fund of the City and certain other funds as provided in the Fiscal Agent Agreement. The 2009 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 Power Division of the Department, 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 2009 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 2009 Bonds, any premium thereon upon redemption prior to maturity, or their interest. The Owner of any 2009 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 2009 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 2009 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.

“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 (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 and other institution have ratings at the time of issuance of such letter of credit equal to “Aa” or higher assigned by Moody’s Investors Service and “AA” or higher assigned by Standard & Poor’s. A portion of the Reserve Fund Requirement has been funded with a debt service reserve surety bond issued by MBIA Insurance Corporation (now Public Finance Guarantee Corporation), as more fully described in the Preliminary Official Statement.

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.

Municipal Bond Insurance at Bidder’s Option

The 2009 Bonds have been submitted to certain municipal bond insurance providers and a request for principal and interest insurance policy qualification has been made. If insurance is available, it may be purchased on the bid date at the bidder’s option and expense. The City is not responsible for payment of the premium on any policy of municipal bond insurance which is selected by the winning bidder or any costs associated therewith. If the winning bidder elects to obtain municipal bond insurance, the winning bidder will be required to certify that (a) the present value of the insurance premium is less than the present value of expected interest savings as a result of the insurance, determined by using the yield of the 2009 Bonds (including the insurance premium) as the discount rate in computing present value, and (b) based on the bidder’s experience in assisting issuers to obtain municipal bond insurance, the insurance

premium does not exceed a reasonable arm's length charge for transfer of the credit risk represented by the insurance and does not include any payment for any direct or indirect services other than the transfer of credit risk. The delivery of any policy of municipal bond insurance will not be a condition of closing, nor will the winning bidder be excused from performance if the municipal bond insurance provider's ratings are changed between the time of acceptance of the bid and the time of closing. Any disclosure to be included in the Official Statement concerning the municipal bond insurance provider is subject to the City's approval and must be accompanied by certificates and opinions provided by the municipal bond insurance provider (or its counsel) in forms acceptable to the City and its counsel.

Book-Entry Only

The 2009 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 2009 Bonds. Individual purchases of the 2009 Bonds will be made in book-entry form only, in denominations of \$5,000 principal amount or any integral multiple thereof. Payments of principal of, interest and premium, if any, on the 2009 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 2009 Bonds.

Interest Payment Dates

The 2009 Bonds will be dated as of the date of delivery and interest will be payable semiannually on each February 1 and August 1, commencing February 1, 2010, to holders of record on the preceding January 15 and July 15, respectively, until maturity or redemption.

Principal Amortization

The 2009 Bonds shall be subject to principal amortization through serial maturities maturing on August 1 in the following years and amounts described in the following table, subject to the adjustments described below:

August 1	Principal Amount*	August 1	Principal Amount*
2010	\$1,240,000	2016	\$3,405,000
2011	3,230,000	2017	2,910,000
2012	3,325,000	2018	3,045,000
2013	3,020,000	2019	3,200,000
2014	3,135,000	2020	3,370,000
2015	3,270,000	2021	2,110,000

* Preliminary, subject to adjustment as described below.

Adjustment of Principal Amounts and Amortization Schedule

The principal amounts set forth in this Notice Inviting Bids reflect certain estimates of the City and its Financial Advisor with respect to the likely interest rates of the winning bid and the premium, if any, contained in the winning bid. The principal amortization schedule may be

changed prior to the time bids are to be received and, if adjustments are made, bidders must bid on the basis of the adjusted schedules. Such changes, if any, will be communicated through Thompson Municipal News not later than 12:00 p.m., Pacific time, on the business day prior to the bid opening. After selecting the winning bid, the principal amount of the 2009 Bonds and amortization schedule may be adjusted in \$5,000 increments as necessary in the determination of the Financial Advisor to reflect the actual interest rates and any premium in the winning bid and to achieve the City's debt structuring objectives. Such adjustments after the selection of the winning bid will not change the principal amount due on the 2009 Bonds in any year by the greater of ten percent (10%) or \$400,000. 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 2009 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 2009 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 must provide that the 2009 Bonds be issued only as serial bonds and may not provide that any principal amounts be combined into term bonds.

Optional Redemption

The 2009 Bonds maturing on or prior to August 1, 2019 are not subject to redemption prior to maturity. The 2009 Bonds maturing on and after August 1, 2020 are subject to redemption prior to maturity, at the option of the City, as a whole or in part on August 1, 2019 or on any date thereafter, in any order of maturity established by the City and by lot within a maturity, from funds derived by the City from any legal source, at a redemption price equal to the principal amount of the 2009 Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.

Notice of Redemption

Notice of such redemption shall be mailed to the Owners of the 2009 Bonds, certain securities depositories and one or more information services. Notice of such redemption shall be given to the Owners of the 2009 Bonds designated for redemption at their addresses appearing on the bond registration books, not less than 30 days nor more than 60 days prior to the redemption date. The actual receipt by the Owners of any 2009 Bond shall not be a condition precedent to the redemption, and failure to receive such notice shall not affect the validity of the proceedings for the redemption of 2009 Bonds or the cessation of interest on the redemption date. If by the date of mailing of notice of any optional redemption the City shall not have deposited with the Fiscal Agent moneys sufficient to redeem all the 2009 Bonds called for redemption, then such notice shall state that it is expressly conditioned upon and subject to the availability of funds for such purpose not later than the opening of business on the redemption date and shall be of no effect unless funds sufficient for such purpose are available.

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 2009 Bonds and for the registration of the 2009 Bonds.

Legal Opinion

The City will furnish to the successful bidder at the closing of the 2009 Bonds, the legal opinion of Bond Counsel, Fulbright & Jaworski L.L.P., to the effect that under existing law interest on the 2009 Bonds is exempt from personal income taxes of the State of California and, assuming compliance with the tax covenants, interest on the 2009 Bonds is excluded pursuant to section 103(a) of the Code from the gross income of the owners thereof for federal income tax purposes and will not be treated as an item of tax preference for purposes of computing the alternative minimum tax imposed by section 55 of the Code. 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 2009 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, if material. A form of the Continuing Disclosure Agreement is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement. The City has not failed in the previous five years to comply in all material respects with any previous undertakings with regard to said Rule to provide annual reports or notices of material events.

TERMS OF SALE

Interest Rates and Minimum Purchase Price

Bidders must specify a rate of interest for each maturity of the 2009 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 four and three-quarters percent (4.75%) per annum. All 2009 Bonds of the same maturity must bear the same rate of interest.

Bidders may bid to purchase the 2009 Bonds with an aggregate premium of not more than seven percent (7%) of the principal amount thereof. No bid will be considered at an aggregate price less than one hundred percent (100%) of the principal amount of the 2009 Bonds, and the no maturity of the 2009 Bonds shall have a discount of more than three percent (3%) of its principal amount.

Award

If satisfactory bids are received, the 2009 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 2009 Bonds and to the price bid. Pursuant to the Ordinance, the True Interest Cost shall not exceed four and three quarters percent (4.75%) per annum. In the event that two or more bidders have bid the same True Interest Cost, the award shall be made by random drawing.

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 2009 Bonds.

Form of Bid

Bidders must purchase the 2009 Bonds at a price equal to the principal amount thereof plus a premium, if any. Each bid must be delivered by electronic transmission, as described below, and received by 10:00 a.m., Pacific time, Monday, November 2, 2009. 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 Financial Advisor, and Bond Counsel assume no responsibility for proper functioning of the Parity System, for any error contained in any bid submitted electronically, or for failure of any bid to be transmitted, received or opened at the official time for receipt of bids. The official time for receipt of bids will be determined by the City at the place of bid opening, and the City shall not be required to accept the time kept by Parity as the official time. The City assumes no responsibility for informing any bidder prior to the deadline for receiving bids that its bid is incomplete or not received.

Good Faith Deposit

Each bidder must provide prior to the time the bids are examined a deposit in the amount of \$400,000.00 (the "Good Faith Deposit") in the form of (i) a certified or cashier's check payable in same day or next day funds drawn on a responsible bank having an office in California payable to the order of "City of Pasadena," (ii) 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 (iii) a wire transfer of immediately available federal funds.

Checks. The check accompanying any accepted proposal shall be cashed and deposited in a fund held by the City and applied to the purchase price of the 2009 Bonds at the time of delivery of the 2009 Bonds. Any check accompanying an unaccepted proposal will be returned promptly.

Surety Bonds. Any Surety Bond may be submitted by facsimile transmission to 626-440-7036 or electronic mail to verganian@cityofpasadena.net prior to the deadline for the examination of the bids. If the successful bidder has provided a Surety Bond, such bidder shall wire transfer to the City the amount of the Good Faith Deposit in immediately available federal funds not later than 12:00 noon (Pacific Daylight 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 2009 Bonds. If the City has not received such federal funds wire transfer by the time stated, the City may draw upon the Surety Bond to satisfy the successful bidder's deposit requirements.

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

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

Each bidder submitting the Good Faith Deposit by wire transfer must also send an email to verganian@cityofpasadena.net and mgolder@bankofny.com referencing "2009 Series Wire Transfer" and providing the name of the bidder and instructions for the return of the wire transfer should the bidder be unsuccessful. The wire transfers of unsuccessful bidders will be returned promptly on the bid date 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 2009 Bonds when the 2009 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 2009 Bonds at the time of delivery thereof.

If the purchase price is not paid in full upon tender of the 2009 Bonds, the successful bidder shall have no right in or to the 2009 Bonds or to the recovery of its Good Faith Deposit, or to any allowance or credit by reason of such Good Faith Deposit, unless it shall appear that the 2009 Bonds would not be validly issued if delivered to the successful bidder in the form and manner proposed. In the event of nonpayment by the successful bidder, the amount of the Good Faith Deposit shall be retained by the City. Notwithstanding the foregoing, should the successful bidder fail to pay for the 2009 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 2009 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 2009 Bonds.

Reoffering Price

The successful bidder will, within one hour after being notified of the conditional award of the 2009 Bonds, advise the City of the initial public offering prices of the 2009 Bonds. The successful bidder will also be required, prior to delivery of the 2009 Bonds, to furnish to the City a certificate acceptable to Bond Counsel, which states with respect to each maturity of the 2009 Bonds that such successful bidder either (i) has purchased the applicable maturity of the 2009 Bonds for its own account and not with a view to distribution or resale and not in the capacity of a bond house, broker or other intermediary and the price at which such purchase was made, or (ii) (1) has made a bona fide public offering to the public of each applicable maturity of the 2009 Bonds at the prices indicated in the information supplied on the date of the conditional award, and (2) an amount at least equal to 10 percent of each such maturity of the 2009 Bonds was sold to the public at the prices indicated on the date of the conditional award, with the exception of those maturities, if any, identified in such Bidder's Certificate, as to which such certificate shall explain the reasons why at least 10 percent of each such maturity was not sold to the public at the price indicated for each such maturity on the date of the award. For the purposes of the information submitted on the date of the conditional award and the Bidder's Certificate, the "public" does not include bond houses, brokers or similar persons or organizations acting in the

capacity of underwriters or wholesalers. In making such representations, the successful bidder must reflect the anticipated existence, if any, of a “derivative product” (e.g., a tender option) offered or to be offered by the bidder or its affiliate in connection with the initial sale of any of the 2009 Bonds. The successful bidder may also be asked by Bond Counsel to clarify any discrepancies between the Bidder’s Certificate and publicly available information relating to trades of the 2009 Bonds and to explain the failure to sell at least 10% of each maturity to the public at the prices indicated on the date of the conditional award.

California Debt and Investment Advisory Commission

The successful bidder will be required to pay any fees due to the California Debt and Investment Advisory Commission (“CDIAC”) under California law. CDIAC will invoice the successful bidder after the delivery of the 2009 Bonds.

CUSIP Numbers and Other Fees

It is anticipated that CUSIP numbers will be printed on the 2009 Bonds, but neither the failure to print such numbers on any 2009 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 2009 Bonds in accordance herewith. The successful bidder will be responsible for obtaining CUSIP numbers. All charges of the CUSIP Service Bureau for the assignment of CUSIP numbers for the 2009 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 execution and delivery of the 2009 Bonds.

No Litigation

There is no litigation pending concerning the validity of the 2009 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 2009 Bonds.

Official Statement

The City has approved a Preliminary Official Statement dated October __, 2009, 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, up to 150 copies of the Official Statement within seven (7) business days of the award date.

Certificate Regarding Official Statement

The City will provide to the successful bidder of the 2009 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 2009 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 2009 Bonds is expected to occur on or about November 24, 2009. The 2009 Bonds will be delivered in New York, New York for deposit with DTC. The successful bidder shall pay for the 2009 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 2009 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. The cost of printing the 2009 Bonds will be borne by the City.

Tax-Exempt Status

In the event that prior to the delivery of the 2009 Bonds (a) the interest received by any private holder from bonds of the same type and character as the 2009 Bonds shall be declared to be taxable (either at the time of such declaration or at any future date) under any federal income tax laws, either by the terms of such law or by ruling of a federal income tax authority or official which is followed by the Internal Revenue Service, or by decision of any federal court, or (b) any federal income tax law is enacted that would have a substantial adverse tax effect on holders of the 2009 Bonds as such, the successful bidder may, at its option, prior to the issuance and delivery of the 2009 Bonds by the City, be relieved of its obligation to purchase the 2009 Bonds and in such case the proceeds of the Good Faith Deposit accompanying its bid will be returned.

Right of Cancellation by City

The City reserves the right at any time prior to and including the day of the bid opening, to cancel the public sale of the 2009 Bonds. In such event, the City shall cause notice of the cancellation of this invitation for bids and the public sale of the 2009 Bonds to be communicated through Thomson Municipal News as promptly as practicable. However, no failure to publish such notice, failure of any prospective bidder to receive such notice or any defect or omission therein shall affect the cancellation of the public sale of the 2009 Bonds.

Right of Cancellation by Bidder

The successful bidder shall have the right, at its option, to cancel its obligation to purchase the 2009 Bonds if the City shall fail to execute the 2009 Bonds and tender the same for delivery within 60 days from the date of award thereof, and in such event the successful bidder shall be entitled to the return of the Good Faith Deposit accompanying its proposal.

Right to Modify or Amend

The City reserves the right to modify or amend this Notice Inviting Bids in any respect including, without limitation, the right to adjust and change the principal amortization schedule of the 2009 Bonds being offered prior to the time bids are to be received. Such notifications or amendments shall be communicated through Thomson Municipal News.

Additional Information

Electronic 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 Financial Advisor, Public Resources Advisory Group, 11845 West Olympic Boulevard, Suite 640, Los Angeles, California 90064, Attention: Edmund Soong (telephone (310) 477-8487, fax (310) 477-0105).

Date: October __, 2009

/s/ ANDREW GREEN

Director of Finance
City of Pasadena

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2009

[INSERT DAC LOGO]

NEW ISSUE – FULL BOOK-ENTRY ONLY

Ratings:
Fitch: “_”
S&P: “_”
(See “RATINGS” herein)

In the opinion of Fulbright & Jaworski L.L.P., Bond Counsel, under existing law interest on the 2009 Bonds is exempt from personal income taxes of the State of California and, assuming compliance with the tax covenants described herein, interest on the 2009 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. See “TAX MATTERS” herein for a description of certain other tax considerations.

[INSERT CITY LOGO]

\$ _____*
CITY OF PASADENA, CALIFORNIA
ELECTRIC REVENUE REFUNDING BONDS,
2009 SERIES

Dated: Date of Delivery

Due: August 1, as shown on the inside cover

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used on this cover page not otherwise defined shall have the meanings set forth herein.

The \$ _____* aggregate principal amount of City of Pasadena, California Electric Revenue Refunding Bonds, 2009 Series (the “2009 Bonds”) is being issued for the purpose of providing moneys to (i) refund a portion of the City’s outstanding Electric Revenue/Refunding Bonds, 1998 Series (the “Refunded 1998 Bonds”) and (ii) pay the costs of issuance of the 2009 Bonds. See “PLAN OF REFUNDING” herein.

The 2009 Bonds are being issued pursuant to an Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 1998, by and between the City of Pasadena, California (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 Fifth Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of November 1, 2009 by and between the City and the Fiscal Agent (collectively, the “Fiscal Agent Agreement”). The 2009 Bonds are being issued in fully registered form, and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the 2009 Bonds. Beneficial ownership interests in the 2009 Bonds may be purchased in book-entry form only in denominations of \$5,000 principal amount or any integral multiple thereof. Interest on the 2009 Bonds will be payable semiannually on February 1 and August 1 of each year, commencing February 1, 2010. Payments of principal of, premium, if any, and interest on, the 2009 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 participants for subsequent disbursement to the beneficial owners of the 2009 Bonds.

The 2009 Bonds are subject to optional redemption prior to maturity as described herein. See “THE 2009 BONDS Redemption” herein.

The 2009 Bonds are an obligation payable only from the Net Income of the Electric System in the Light and Power Fund of the City and certain other funds as provided in the Fiscal Agent Agreement. The 2009 Bonds are secured by a pledge of and lien upon Net Income of the Electric System on a parity with other obligations of the Electric System payable from Net Income of the Electric System and issued from time to time pursuant to the terms of the Fiscal Agent Agreement. Upon the issuance of the 2009 Bonds and the refunding of the Refunded 1998 Bonds, the City will have \$ _____ of parity obligations outstanding payable from Net Income of the Electric System pursuant to the terms of the Fiscal Agent Agreement.

The general fund of the City is not liable for the payment of any 2009 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 2009 Bonds, any premium thereon upon redemption prior to maturity or their interest. The Owner of any 2009 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 2009 Bonds and any premiums upon the redemption of any thereof prior to maturity are not a debt of the City nor a legal or equitable pledge, charge, lien or encumbrance upon any of its property or upon any of its income, receipts or revenues, except the Net Income and other funds, security or assets which are pledged to the payment of the 2009 Bonds, interest thereon and any premiums upon redemption pursuant to the Fiscal Agent Agreement.

The 2009 Bonds will be sold by competitive sale on or about November __, 2009 pursuant to the Notice Inviting Bids dated October __, 2009. See “APPENDIX G – NOTICE INVITING BIDS” attached hereto. For additional information concerning the competitive sale of the 2009 Bonds, contact the City’s financial advisor, Public Resources Advisory Group, Los Angeles, California. The 2009 Bonds will be offered when, as and if issued, sold and received by the Initial Purchaser, subject to the approval of Fulbright & Jaworski L.L.P., Los Angeles, California, Bond Counsel, and certain other conditions. Public Resources Advisory Group, Los Angeles, California, is serving as Financial Advisor to the City in connection with the issuance of the 2009 Bonds. Certain legal matters will be passed upon for the City by Fulbright & Jaworski L.L.P., Los Angeles, California, Disclosure Counsel, and by Michele Beal Bagneris, City Attorney of the City. It is anticipated that the 2009 Bonds in definitive form will be available for delivery to DTC in New York, New York by Fast Automated Securities Transfer (FAST) on or about November __, 2009.

November __, 2009

* Preliminary, subject to change.

\$ _____^{*}
CITY OF PASADENA, CALIFORNIA
ELECTRIC REVENUE REFUNDING BONDS,
2009 SERIES

MATURITY SCHEDULE^{*}

\$ _____ Serial Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate	Price or Yield	CUSIP [†] 702248
-----------------------------	---------------------	------------------	-------------------	------------------------------

^{*} Preliminary, subject to change.

[†] CUSIP data included here is subject to Copyright 2009, American Bankers Association. CUSIP data included herein is provided by the Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. and is provided for convenience of reference only. None of the City, PWP or the Initial Purchasers shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.