

ORDINANCE NO. ____

AN ORDINANCE OF THE CITY OF PASADENA AUTHORIZING THE ISSUANCE BY THE CITY OF NOT TO EXCEED \$15,000,000 AGGREGATE PRINCIPAL AMOUNT OF CITY OF PASADENA ELECTRIC REVENUE REFUNDING BONDS, 2012A SERIES, PAYABLE OUT OF THE LIGHT AND POWER FUND, AND APPROVING THE EXECUTION AND DELIVERY OF A SEVENTH SUPPLEMENT TO ELECTRIC REVENUE BOND FISCAL AGENT AGREEMENT, ESCROW AGREEMENTS AND A CONTINUING DISCLOSURE AGREEMENT IN CONNECTION THEREWITH

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

WHEREAS, pursuant to Ordinance No. 6902 of the City, adopted on July 1, 2002, the City has heretofore authorized and issued \$82,320,000 principal amount of its City of Pasadena, California Electric Revenue Bonds, 2002 Series (the "2002 Bonds"), of which \$9,155,000 principal amount are outstanding and unpaid, which 2002 Bonds were issued for the purpose of providing moneys (i) to finance the costs of acquisition and construction of certain improvements to the Electric System of the City; (ii) to fund a deposit to the parity reserve fund; and (iii) to pay costs of issuance of the 2002 Bonds.

WHEREAS, pursuant to Ordinance No. 6949 of the City, adopted on July 21, 2003, the City has heretofore authorized and issued \$9,905,000 principal amount of its City of Pasadena, California Electric Revenue Bonds, 2003 Series (the "2003 Bonds"), of which \$6,010,000 principal amount are outstanding and unpaid, which 2003 Bonds were issued for the purpose of providing moneys (i) to finance the costs of acquisition and construction of certain improvements to the Electric System of the City; (ii) to fund a deposit to the parity reserve fund; and (iii) to pay costs of issuance of the 2003 Bonds.

WHEREAS, pursuant to Article XIV of the Charter, the City now proposes to issue its Electric Revenue Refunding Bonds, 2012A Series (the "2012A Bonds") pursuant to the Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 1998 (the "Master Fiscal Agent Agreement"), by and between the City and The Bank of New York Mellon Trust Company, N.A. (successor-in-interest to BNY Western Company), as fiscal agent (the "Fiscal Agent"), as amended and supplemented, including as amended and supplemented by a Seventh Supplement to Electric Revenue Bond Fiscal Agent Agreement, by and between the City and the Fiscal Agent (the Master Fiscal Agent Agreement as so amended and supplemented hereinafter, the "Fiscal Agent Agreement"), in order to refund a portion of the outstanding 2002 Bonds and a portion of the outstanding 2003 Bonds (such bonds to be refunded, collectively, the "Refunded

Bonds”), said 2012A Bonds not to constitute an indebtedness of the City but to constitute obligations which shall be payable as to both principal and interest, and any premiums upon the redemption of any thereof prior to maturity, only from the Light and Power Fund of the City and certain other funds as provided in the Fiscal Agent Agreement; and this Ordinance is for the purpose of authorizing the issuance of such 2012A Bonds.

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

Section 1. Authorization to Issue 2012A Bonds; Purpose; Principal Amount.

(a) Pursuant to Article XIV of the Charter, the City Council does hereby authorize to be issued, upon the terms and conditions as hereinafter set forth, the 2012A Bonds in the aggregate principal amount of not to exceed \$15,000,000 for the primary purpose of refunding the Refunded Bonds, funding a deposit to the parity reserve fund if so required in connection therewith and paying the costs and expenses incidental to the issuance of the 2012A Bonds.

(b) This Ordinance shall constitute complete authority to issue the 2012A Bonds pursuant to the Fiscal Agent Agreement as provided herein.

Section 2. Issuance of 2012A Bonds. The 2012A Bonds shall be issued pursuant to and in accordance with the terms and conditions set forth in this Ordinance, and more specifically in the Fiscal Agent Agreement and the Seventh Supplement.

Section 3. Date of Issuance; Maximum Interest Rates. The 2012A Bonds shall be dated their date of delivery. The maximum interest rate to be payable on the 2012A Bonds shall not exceed such rate as will result in a true interest cost to the City of greater than four percent (4.00%) per annum.

Section 4. Maturity Dates. The maximum term for the 2012A Bonds shall not exceed ten (10) years. Subject to the preceding sentence, the 2012A Bonds shall mature and be payable on such dates as specifically set forth in the Seventh Supplement described in Section 6 hereof.

Section 5. Source of Payment. The 2012A Bonds shall not constitute an indebtedness of the City but shall constitute obligations which shall be payable as to both principal and interest, and any premiums upon the redemption of any thereof prior to maturity, only from the Light and Power Fund of the City, as provided in Article XIV of the Charter, and certain other funds as authorized by Article XIV and provided in the Fiscal Agent Agreement.

Section 6. Approval of Seventh Supplement. In order to prescribe the terms and conditions upon which the 2012A Bonds are to be issued, secured, executed, authenticated and held, the Seventh Supplement proposed to be executed and entered into by the City and the Fiscal Agent, in substantially the form attached hereto as Exhibit A is hereby approved, and the Director of Finance (or, in the absence of the Director of Finance, his designee) is hereby authorized and directed, for and in the name and on behalf of the City, to execute, and the City Clerk is authorized to affix the official seal of the City to, and deliver the Seventh Supplement in substantially such form, with such changes (including, without limitation, such changes as may be requested by rating agencies providing a rating on the 2012A Bonds) as may be approved by

the Director of Finance (or, in the absence of the Director of Finance, his designee), acting on behalf of the City, subject to advice of counsel, such execution thereof to constitute conclusive evidence of the approval of the City of all changes from the form of the Seventh Supplement presented to this meeting.

Section 7. Escrow Agreements. An Escrow Agreement relating to the 2002 Bonds to be refunded and an Escrow Agreement relating to the 2003 Bonds to be refunded, each proposed to be executed and entered into by and between the City and The Bank of New York Mellon Trust Company, N.A., as the Escrow Agent, in substantially the forms attached hereto as Exhibit B and Exhibit C, respectively, are hereby approved, and the Director of Finance (or, in the absence of the Director of Finance, his designee) is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Escrow Agreements in substantially said forms, with such changes as may be approved by the Director of Finance (or, in the absence of the Director of Finance, his designee), acting on behalf of the City, subject to advice of counsel, such execution thereof to constitute conclusive evidence of the approval of the City of all changes from the forms of the Escrow Agreements presented to this meeting.

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

Section 9. Official Action. All actions heretofore taken by the officers and agents of the City with respect to the issuance of the 2012A Bonds and the negotiation and execution of said agreements are hereby approved, confirmed and ratified. The City Manager, the Director of Finance, the City Treasurer, the City Clerk and any and all other officers of the City are hereby authorized and directed, for and in the name and on behalf of the City to do any and all things and take any and all actions, including, without limitation, the execution and delivery of any and all certificates, requisitions, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the issuance, sale and delivery of the 2012A Bonds pursuant to the agreements described herein.

Section 10. Provisions Necessary and Desirable. The provisions of this Ordinance are deemed necessary and desirable to facilitate the issuance and sale of the 2012A Bonds authorized by this Ordinance.

Section 11. Publication. The City Clerk shall certify to the passage and adoption of this Ordinance and shall cause this Ordinance, excepting the exhibits attached hereto, to be published once in the Pasadena Star-News, a daily newspaper of general circulation published in said City.

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

Signed and approved this 13th day of August, 2012.

Mayor of the City of Pasadena, California

I HEREBY CERTIFY that the foregoing Ordinance was adopted by the City Council of the City of Pasadena at its regular meeting held August 13, 2012, by the following vote:

Ayes: _____
Noes: _____
Absent: _____
Published: _____, 2012, Pasadena Star News

APPROVED AS TO FORM:

for 
Michele Beal Bagneris
City Attorney

Mark Jomsky
City Clerk

APPROVED AS TO FORM:


Donald L. Hunt, Partner
Fulbright & Jaworski L.L.P.
Bond Counsel

EXHIBIT A

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

SEVENTH SUPPLEMENT TO
ELECTRIC REVENUE BOND FISCAL AGENT AGREEMENT

by and between

CITY OF PASADENA, CALIFORNIA

and

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

RELATING TO CITY OF PASADENA, CALIFORNIA
ELECTRIC REVENUE REFUNDING BONDS, 2012A SERIES

Dated as of October 1, 2012

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

SEVENTH SUPPLEMENT TO
ELECTRIC REVENUE BOND FISCAL AGENT AGREEMENT

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

Authorizing the Issuance of
\$ _____ Aggregate Principal Amount of
City of Pasadena, California
Electric Revenue Refunding Bonds, 2012A Series

This SEVENTH SUPPLEMENT TO ELECTRIC REVENUE BOND FISCAL AGENT AGREEMENT, dated as of October 1, 2012 (the "Seventh Supplement"), is by and between the CITY OF PASADENA, CALIFORNIA (the "City"), a municipal corporation and chartered city duly organized and existing under the Constitution and laws of the State of California, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association duly organized and validly existing under the laws of the United States of America, as successor to BNY Western Trust Company, as fiscal agent (the "Fiscal Agent").

W I T N E S S E T H:

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

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

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

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

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

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

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

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

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

WHEREAS, as authorized by Ordinance No. ___ of the City, adopted on September ___, 2012, the City now proposes to issue its \$_____ principal amount of City of Pasadena, California Electric Revenue Refunding Bonds, 2012A Series, pursuant to the Master Fiscal Agent Agreement, as previously amended and supplemented and as amended and supplemented by this Seventh Supplement (the Master Fiscal Agent Agreement as from time to time amended and supplemented being referred to as the "Fiscal Agent Agreement"), in order to refund a portion of the outstanding 2002 Bonds, to refund a portion of the outstanding 2003 Bonds, to fund a deposit to the Parity Reserve Fund and to pay Costs of Issuance of the 2012A Bonds, said 2012A Bonds not to constitute an indebtedness of the City but to constitute obligations which shall be payable as to both principal and interest, and any premiums upon the redemption thereof prior to maturity (if applicable), only from the Light and Power Fund of the City and certain other funds as provided in the Fiscal Agent Agreement; and

WHEREAS, the City Council has determined that it is necessary and desirable that the City enter into this Seventh Supplement in order to establish and declare, in conjunction with the Fiscal Agent Agreement, the terms and conditions upon which the 2012A Bonds shall be issued; and

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

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

ARTICLE XVII

2012A BONDS

SECTION 17.01. Definitions. The terms defined in this Section shall, for all purposes of this Seventh Supplement and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined. Terms defined in the Fiscal Agent Agreement not otherwise defined herein shall have the meanings specified therein.

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

“Escrow Agreements” means, collectively, the 2002 Bonds Escrow Agreement and the 2003 Bonds Escrow Agreement.

“Interest Payment Date” means, with respect to the 2012A Bonds, June 1 and December 1 of each year, commencing December 1, 2012.

“Ordinance” means Ordinance No. ____ of the City, adopted on September __, 2012, authorizing the issuance of the 2012A Bonds, and providing certain terms and conditions for the issuance of the 2012A Bonds.

“Original Purchaser” means _____, as the original purchaser of the 2012A Bonds.

“2002 Bonds Escrow Agreement” means the Escrow Agreement relating to the defeasance and redemption of the refunded 2002 Bonds, dated as of October 1, 2012, by and between the City and the Escrow Agent.

“2003 Bonds Escrow Agreement” means the Escrow Agreement relating to the defeasance and redemption of the refunded 2003 Bonds, dated as of October 1, 2012, by and between the City and the Escrow Agent.

“2012A Bond” or “2012A Bonds” means any or all, as the case may be, of the City of Pasadena, California Electric Revenue Refunding Bonds, 2012A Series, as described in Section 17.02 and 17.03 hereof.

SECTION 17.02. Authorization.

(A) A seventh Series of Bonds to be issued under the Fiscal Agent Agreement is hereby created. Such Series shall be known as the “City of Pasadena, California Electric Revenue Refunding Bonds, 2012A Series” (herein referred to as the “2012A Bonds”). The 2012A Bonds shall be issued in the aggregate principal amount of \$_____ in accordance with the City Charter, the Ordinance and the Fiscal Agent Agreement for the purpose of (i) refunding \$_____ principal amount of the \$_____ outstanding principal amount of 2002 Bonds, (ii) refunding \$_____ principal amount of the \$_____ outstanding principal amount of the 2003 Bonds, (iii) funding a deposit to the Parity Reserve Fund and (iv) paying Costs of Issuance of the 2012A Bonds.

(B) The 2012A Bonds shall be issued in fully registered form and shall be initially issued registered in the name of “Cede & Co.,” as nominee of The Depository Trust Company. The 2012A Bonds shall be evidenced by one 2012A Bond maturing on each of the maturity dates as set forth in Section 17.03 in a denomination corresponding to the total principal amount of the 2012A Bonds of such maturity. The Fiscal Agent may assign a distinctive number or letter and number, and a record of the same shall be maintained by the Fiscal Agent for each 2012A Bond. Registered ownership of the 2012A Bonds, or any portion thereof, may not thereafter be transferred except as set forth in the Fiscal Agent Agreement.

SECTION 17.03. Terms of 2012A Bonds. The 2012A Bonds shall be issued in denominations of \$5,000 principal amount or any integral multiple thereof. The 2012A Bonds shall be dated their date of delivery, and shall mature on June 1 in the years and in the principal amounts and shall bear interest at the rates set forth below:

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
---	-------------------------	----------------------

The 2012A Bonds shall be Current Interest Indebtedness. Each 2012A Bond shall bear interest until the principal sum thereof has been paid; provided, however, that if, at the maturity

date of any 2012A Bond, or if the same is redeemable prior to maturity and has been duly called for redemption (if applicable), funds are available for the payment or redemption (if applicable) thereof in accordance with the terms of this Seventh Supplement, the 2012A Bond shall then cease to bear interest. The principal of and premium, if any, on the 2012A Bonds shall be payable in lawful money of the United States of America by the Fiscal Agent upon presentation and surrender thereof.

Interest with respect to any 2012A Bond shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless such date of authentication is during the period from a Record Date to and including the next succeeding Interest Payment Date, in which case interest with respect thereto shall be payable from such Interest Payment Date, or unless such date of authentication is prior to the Record Date for the first Interest Payment Date, in which case interest with respect thereto shall be payable from the date of delivery of the 2012A Bonds; provided, however, that if at the time of authentication of any 2012A Bond, interest with respect thereto is in default, interest with respect thereto shall be payable from the Interest Payment Date to which interest has previously been paid. Interest on the 2012A Bonds shall be calculated on the basis of a 360-day year comprised of twelve 30-day months. Payment of interest with respect to any 2012A Bond shall be made to the person appearing on the Bond Register as the Owner thereof as of the Record Date, such interest to be paid by check or draft of the Fiscal Agent, payable in lawful money of the United States of America and mailed on each Interest Payment Date to such Owner at his address as it appears on the Bond Register; provided, that in the case of an Owner of \$1,000,000 or more in aggregate principal amount of 2012A Bonds, upon written request of such Owner delivered to the Fiscal Agent not less than 20 days prior to any Interest Payment Date, such interest shall be paid in immediately available funds by wire transfer to an account specified by the Owner in such written request on the following Interest Payment Date.

So long as the 2012A Bonds are maintained in book-entry form, payments of principal, premium, if any, and interest shall be made by the Fiscal Agent to the Securities Depository by wire transfer.

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

SECTION 17.04. Form of 2012A Bonds and Certificate of Authentication. The 2012A Bonds and the certificate of authentication shall be substantially in the form set forth in Exhibit A hereto with necessary or appropriate variations, omissions and insertions, as permitted or required by this Seventh Supplement.

SECTION 17.05. Disposition of Proceeds. The disposition of proceeds of the 2012A Bonds shall be as follows:

- (a) There is hereby established a separate fund in the City Treasury for the purpose of assuring the application of proceeds received from the sale of the 2012A Bonds to the purposes set forth in Section 17.02 hereof, which separate fund is hereby designated as "ELECTRIC REVENUE REFUNDING BONDS, 2012A SERIES,

PROCEEDS/CONSTRUCTION FUND (the “2012A Electric Bonds Proceeds Fund”). There is hereby established within the 2012A Electric Bonds Proceeds Fund a separate account hereby designated as the “2012A Electric Bonds Costs of Issuance Account.”

(b) The Director of Finance shall, immediately upon receiving the proceeds of the sale of the 2012A Bonds, place in the 2012A Electric Bonds Proceeds Fund all sums received upon such sale less the amount of \$_____ which shall be transferred by the Original Purchaser directly to the Escrow Agent on behalf of the City to be applied, together with \$_____ transferred by the City to the Escrow Agent (representing the Good Faith Deposit received by the City from the Original Purchaser), as provided in the Escrow Agreements, such amount being placed in the 2012A Electric Bonds Proceeds Fund being \$_____. Immediately upon placing such proceeds in the 2012A Electric Bonds Proceeds Fund, the Director of Finance shall transfer to the Parity Reserve Fund the amount of \$_____, which, together with the amounts on deposited therein or credited thereto, is an amount equal to the Reserve Fund Requirement. The Director of Finance shall further, immediately upon placing the proceeds of the sale of the 2012A Bonds in the 2012A Electric Bonds Proceeds Fund, place in the 2012A Electric Bonds Costs of Issuance Account in the 2012A Electric Bonds Proceeds Fund the amount of \$_____.

(c) The moneys deposited in the 2012A Electric Bonds Costs of Issuance Account shall be expended from time to time to pay Costs of Issuance. If any amount shall remain in the 2012A Electric Bonds Costs of Issuance Account when all Costs of Issuance have been paid (but in any event not later than six months following the date of issuance and delivery of the 2012A Bonds), such amount shall be transferred by the Director of Finance to the Parity Obligation Payment Fund.

(d) Amounts in the 2012A Electric Bonds Proceeds Fund, if any, and the 2012A Electric Bonds Costs of Issuance Account may be temporarily invested by the City in Investment Securities, and such proceeds and the interest thereon shall be applied exclusively to the objects and purposes set forth in this Seventh Supplement; provided, however, that in accordance with subsection (D) of Section 1414 of Article XIV of the Charter, when the objects and purposes for which the 2012A Bonds were issued have been accomplished, any remaining unexpended funds in the 2012A Electric Bonds Proceeds Fund or the 2012A Electric Bonds Costs of Issuance Account therein shall be transferred to the Parity Obligation Payment Fund. Any such amounts transferred to the Parity Obligation Payment Fund may be temporarily invested by the City in Investment Securities after consultation with Bond Counsel regarding yield restriction limitations with respect to such investment.

SECTION 17.06. No Redemption of 2012A Bonds. The 2012A Bonds shall not be subject to redemption prior to maturity.

SECTION 17.07. Amendments to Certain Provisions of the Fiscal Agent Agreement. The following amendments to the Master Fiscal Agent Agreement shall become effective at such time as this Seventh Supplement shall be executed and delivered by the City and the Fiscal Agent.

(A) With respect to the 2012A Bonds, Section 4.04 of the Master Fiscal Agent Agreement is hereby amended to add the following paragraph to the end of the section:

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

(B) With respect to the 2012A Bonds, Section 7.02 of the Master Fiscal Agent Agreement is hereby amended to add the following paragraphs to the end of the section:

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

The Fiscal Agent shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of unavoidable delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration

involving a party or others relating to zoning or other governmental action or inaction pertaining to the Electric System, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Fiscal Agent and without its fault or negligence.

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

The Fiscal Agent shall have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the 2012A Bonds.

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

SECTION 17.08. Terms of 2012A Bonds Subject to the Fiscal Agent Agreement. Except as in this Seventh Supplement expressly provided, every term and condition contained in the Fiscal Agent Agreement shall apply to the Seventh Supplement and to the 2012A Bonds with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to the Seventh Supplement.

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

SECTION 17.09. Governing Law. This Seventh Supplement shall be construed and governed in accordance with the laws of the State of California.

SECTION 17.10. Execution in Counterparts. The Sixth Supplement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

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

CITY OF PASADENA

By: _____
Andrew Green
Director of Finance

(Seal)

ATTEST:

By: _____
Mark Jomsky
City Clerk

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

By: _____
Authorized Officer

APPROVED AS TO FORM:

By: _____
Michele Beal Bagneris
City Attorney

EXHIBIT A

[FORM OF 2012A BOND]

Bond No. _____

\$ _____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
CITY OF PASADENA

ELECTRIC REVENUE REFUNDING BOND, 2012A SERIES

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP NO.</u>
%	June 1, 20__	____, 2012	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The City of Pasadena, a municipal corporation situated in the County of Los Angeles, State of California (the "City"), FOR VALUE RECEIVED, hereby promises to pay, only from the Net Income of the Electric System in the Light and Power Fund and such other funds as hereinafter provided, to the registered owner named above, or registered assigns, on the maturity date set forth above (subject to the right of prior redemption (if any) hereafter mentioned), the principal amount set forth above, and to pay interest on such principal amount, semiannually on June 1 and December 1 of each year, commencing December 1, 2012 (each such date shall be referred to herein as an "Interest Payment Date") at the interest rate set forth above. Interest with respect to this 2012A Bond shall be payable from the Interest Payment Date next preceding the date of authentication hereof unless such date of authentication is during the period from a Record Date (as hereinafter defined) to and including the next succeeding Interest Payment Date, in which case interest with respect hereto shall be payable from such Interest Payment Date, or unless such date of authentication is prior to the Record Date for the first Interest Payment Date, in which case interest with respect hereto shall be payable from the date of delivery of this 2012A Bond; provided, however, that if at the time of authentication of this 2012A Bond, interest with respect hereto is in default, interest with respect hereto shall be payable from the Interest Payment Date to which interest has previously been paid. Interest on this 2012A Bond is payable by check or draft of The Bank of New York Mellon Trust Company, N.A., in Los Angeles, California, or its successors and assigns, as Fiscal Agent for the 2012A Bonds, mailed on each Interest Payment Date to the registered Owner hereof as of the close of business on the 15th day of the month immediately preceding an Interest Payment Date (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Fiscal Agent; provided, that in the case of an Owner of \$1,000,000 or more in aggregate principal amount of 2012A Bonds, upon written request of such Owner delivered to the Fiscal Agent not less than 20 days prior to any Interest Payment Date, such interest shall be paid in immediately available funds by wire transfer to an account specified by the Owner in such written request on the

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

This is one of a duly authorized issue of bonds of the City designated "Electric Revenue Refunding Bonds, 2012A Series," referred to herein as the "2012A Bonds," all of which have been issued pursuant to Article XIV of said Charter for the purpose of providing moneys for the refunding certain outstanding Bonds of the City. The creation of said issue and the terms and conditions of the 2012A Bonds are provided for by the Ordinance of the City authorizing the 2012A Bonds and designated Ordinance No. 7192, adopted by the City Council of the City on June 7, 2012, and by an Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 1998, by and between the City and the Fiscal Agent (the "Master Fiscal Agent Agreement"), as amended and supplemented by a First Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 1998, by a Second Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of July 1, 2002, by a Third Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 2003, by a Fourth Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of February 1, 2008, by a Fifth Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of November 1, 2009, by a Sixth Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of July 1, 2010, and by a Seventh Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of October 1, 2012, each by and between the City and the Fiscal Agent or its predecessor in interest (collectively, the "Fiscal Agent Agreement"), and by acceptance hereof the Owner of this 2012A Bond assents to said terms and conditions. Said Ordinance was adopted under, the Fiscal Agent Agreement is entered into under, and this 2012A Bond is issued under, and each is to be construed in accordance with the Charter of the City and the laws and Constitution of the State of California. Capitalized terms used herein not otherwise defined shall have the meanings ascribed thereto in the Fiscal Agent Agreement.

This 2012A Bond does not constitute an indebtedness of the City but is an obligation payable, as to both principal and interest, and any premium upon the redemption hereof prior to maturity (if applicable), exclusively from the Net Income of the Electric System in the Light and Power Fund and certain other funds as provided in the Fiscal Agent Agreement, but this shall not preclude the payment hereof from the proceeds of any bonds issued to refund the 2012A Bonds, nor preclude the use of any sum received as premium or accrued interest on the sale of the 2012A Bonds to pay principal and interest hereof, nor payment hereof from certain other funds or moneys as provided in Subdivision D of Section 1413 of Article XIV of the Charter of the City (the "Charter"). The Light and Power Fund is established in and by the Charter, and under the provisions of said Charter all money received from the sale or use of electric energy or otherwise derived from the Electric System of the City is required to be deposited in the Light and Power Fund and used only for the purposes set forth in said Charter, including the payment of the 2012A Bonds.

The 2012A Bonds will be issued on a parity with the \$70,635,000 aggregate principal amount of City of Pasadena, California Electric Revenue/Refunding Bonds, 1998 Series (the "1998 Bonds"), the \$82,320,000 aggregate principal amount of City of Pasadena, California Electric Revenue Bonds, 2002 Series (the "2002 Bonds"), the \$9,905,000 aggregate principal

amount of City of Pasadena, California Electric Revenue Bonds, 2003 Series (the “2003 Bonds”), the \$58,555,000 aggregate principal amount of City of Pasadena, California Electric Revenue Bonds, 2008 Series (the “2008 Bonds”), the \$40,655,000 aggregate principal amount of City of Pasadena, California Electric Revenue Refunding Bonds, 2009 Series (the “2009 Bonds”) and the \$36,320,000 aggregate principal amount of City of Pasadena, California Electric Revenue Refunding Bonds, 2010A Series (the “2010 Bonds”) previously issued pursuant to the Fiscal Agent Agreement, and to the extent remaining outstanding. The 2012A Bonds, the 2010 Bonds, the 2009 Bonds, the 2008 Bonds, the 2003 Bonds, the 2002 Bonds and the 1998 Bonds and any additional bonds to be issued pursuant to the Fiscal Agent Agreement are herein referred to collectively as the “Bonds.” All Net Income deposited in the Light and Power Fund is pledged to secure the payment of the principal of and redemption premium, if any, and interest on the Bonds and any Parity Obligations in accordance with their terms, subject only to the provisions of the Fiscal Agent Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein. Said pledge shall constitute a first lien on the Net Income and shall be valid and binding from and after delivery by the City of the Bonds or Parity Obligations, without any physical delivery thereof or further act. Nothing in the Fiscal Agent Agreement restricts the issuance of additional bonds under Article XIV of the City Charter, subject to the limitations set forth in Article V of the Fiscal Agent Agreement, payable from the Light and Power Fund and ranking on a parity with or subordinate to the Bonds.

The Charter and covenants expressed in said Fiscal Agent Agreement impose upon the officers of said City certain obligations to the Owners of the 2012A Bonds, such covenants, among other things, restricting transfers out of the Light and Power Fund, prohibiting issuance of revenue bonds having any priority with respect to payment from the Light and Power Fund, placing limitations upon the issuance of additional bonds payable from said fund and imposing conditions with respect to any sale or lease of the Electric System. In the manner provided in the Fiscal Agent Agreement, any or all of the covenants expressed in the Fiscal Agent Agreement, and any other provision thereof, or any provision of any resolution or order authorizing or providing for the issuance of the 2012A Bonds, may be waived or modified at any time in the manner, to the extent, and upon the terms provided in the Fiscal Agent Agreement, which provides, in certain circumstances, for modifications and amendments without the consent of or notice to the registered Owners of the 2012A Bonds.

The 2012A Bonds are not subject to redemption prior to maturity.

The 2012A Bonds are registrable, as to principal and interest, in denominations of \$5,000 principal amount or any integral multiple thereof. This 2012A Bond is transferable by the registered Owner hereof, in person or by his or her duly authorized attorney, at the Corporate Trust Office of the Fiscal Agent in Los Angeles, California, or such other place as designated by the Fiscal Agent. This 2012A Bond may be exchanged at the Corporate Trust Office of the Fiscal Agent, or such other place as designated by the Fiscal Agent, for a like aggregate principal amount of 2012A Bonds of other denominations of the same Series and maturity. Any such transfer and exchange shall be only in the manner, subject to the limitations and upon payment of the charges provided in said Fiscal Agent Agreement. Upon such transfer or exchange, a new registered 2012A Bond of authorized denomination or denominations for a like aggregate principal amount of the same Series, interest rate and maturity will be issued to the transferee in exchange herefor.

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

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this 2012A Bond exist, have happened, and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California and the Charter, and that this 2012A Bond, together with all other obligations and indebtedness of the City pertaining to the aforesaid Electric System, is within every debt and other limit prescribed by or pursuant to the Constitution and statutes of the State of California and the Charter. Pursuant to Article XIV of the Charter, the foregoing recital of regularity of proceedings shall be conclusive evidence of compliance with the provisions of Article XIV of the Charter and of the validity of this 2012A Bond.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the City of Pasadena has caused this 2012A Bond to be signed by the Mayor, the Director of Finance and the City Clerk of the City by their facsimile signatures and the corporate seal of the City to be reproduced hereon.

Mayor of the City of Pasadena, California

Director of Finance of the City of Pasadena,
California

ATTEST:

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

CERTIFICATE OF AUTHENTICATION

This is one of the City of Pasadena, California Electric Revenue Refunding Bonds, 2012A Series, described in Ordinance No. ____ and the Electric Revenue Bond Fiscal Agent Agreement of the City of Pasadena, California.

Dated: _____, 2012

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

By: _____
Authorized Signatory

DTC LEGEND

Unless this 2012A Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the City or its agent for registration or transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ (Taxpayer Identification Number: _____) the within 2012A Bonds and all rights thereunder, and hereby irrevocably constitutes and appoints attorney to transfer the within 2012A Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Notice: The signature to this Assignment must correspond with the name as written on the face of the Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

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

EXHIBIT B

PROPOSED FORM OF
ESCROW AGREEMENT RELATING
TO THE 2002 BONDS

**ESCROW AGREEMENT
RELATING TO THE DEFEASANCE AND REDEMPTION
OF A PORTION OF THE CITY OF PASADENA, CALIFORNIA
ELECTRIC REVENUE BONDS, 2002 SERIES**

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

W I T N E S S E T H :

WHEREAS, pursuant to an Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 1998 (as amended and supplemented, the “Fiscal Agent Agreement”), by and between the City and The Bank of New York Mellon Trust Company, N.A., as successor fiscal agent (the “Fiscal Agent”), the City heretofore issued \$82,320,000 principal amount of its Electric Revenue Bonds, 2002 Series, of which \$9,155,000 principal amount are currently outstanding (the “2002 Bonds”); and

WHEREAS, the City’s Electric Revenue Refunding Bonds, 2012A Series (the “2012A Bonds”) are being issued pursuant to the Fiscal Agent Agreement for the purpose, among others, of refunding a portion of the outstanding 2002 Bonds (such 2002 Bonds being refunded are more particularly identified in Exhibit A attached hereto and referred to herein as the “Refunded 2002 Bonds”), by providing funds to redeem on December 1, 2012, the Refunded 2002 Bonds at a redemption price equal to 100% of the principal amount thereof, together with accrued interest thereon to the redemption date; and

WHEREAS, in order to accomplish the refunding of the Refunded 2002 Bonds in accordance with the Fiscal Agent Agreement, the City will deposit, or cause to be deposited, with the Escrow Agent, proceeds of the 2012A Bonds and certain other available funds in accordance with this Escrow Agreement;

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

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

The moneys set forth above are at least an amount sufficient to purchase the Federal Securities (if any). The principal of and interest on the Federal Securities when due will provide moneys, together with the moneys held uninvested as cash as set forth above, which will be sufficient to redeem on December 1, 2012 the Refunded 2002 Bonds at a redemption price equal to 100% of the principal amount thereof, together with accrued interest thereon to the redemption date. The amounts required to be paid on the Refunded 2002 Bonds are shown on Exhibit B hereto. In accordance with the Fiscal Agent Agreement, upon the deposit of funds as provided in this Section 1, notice of the redemption of the Refunded 2002 Bonds having been given or provision satisfactory to the Fiscal Agent having been made for the giving of such notice as set forth in Section 5 hereof, the pledge of the Net Income and other assets made under the Fiscal Agent Agreement in respect of the Refunded 2002 Bonds shall cease, terminate and be completely discharged and satisfied, and all payments of interest on, any redemption premium, and principal of the Refunded 2002 Bonds shall be paid only from moneys on deposit with the Escrow Agent as provided in this Escrow Agreement.

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

SECTION 3. Investment of Any Remaining Moneys. In the event that the Escrow Agent shall receive (i) any cash payment not required for the initial purchase of Federal Securities set forth in Exhibit C hereto, if any, or (ii) any payment of principal or interest from the Federal Securities, if any, prior to the date on which such payment is required for the purposes set forth herein, then, at the written direction of the City, the Escrow Agent shall reinvest the amount of such payment, or any portion thereof, in noncallable Federal Securities maturing in an amount at least equal to the purchase price thereof and maturing not later than the date on which such payment or portion thereof is required for the purposes set forth in Section 5, as verified in a report (a "Verification Report") prepared by an independent certified public accountant or firm of certified public accountants experienced in the refunding of obligations of governmental entities (a "Verification Agent") and provided the City has obtained and delivered to the Escrow Agent an unqualified opinion of nationally recognized bond counsel that such reinvestment will not adversely affect the exclusion from gross income of interest payable on the 2012A Bonds or the 2002 Bonds for purposes of federal income taxation. The Escrow Agent shall monitor compliance with the foregoing requirements. Any investment income resulting from investment or reinvestment of moneys pursuant to this Section 3 which is not required for the purposes set forth in this Section 3 or in Section 5, as verified in the Verification Report, originally obtained by the City with respect to the refunding of the Refunded 2002 Bonds or in any other Verification Report, shall be transferred to the Parity Obligation Payment Fund established pursuant to Section 4.02 of the Fiscal Agent Agreement. Any such amounts transferred to the Parity Obligation Payment Fund may be temporarily invested by the City in Investment Securities (as defined in the Fiscal Agent Agreement) after consultation with nationally recognized bond counsel regarding yield restriction limitations with respect to such investment.

SECTION 4. Substitution of Securities. Upon the written request of the City, and subject to the conditions and limitations herein set forth, the Escrow Agent shall sell, redeem or otherwise dispose of Federal Securities, if any, provided that there are substituted therefor from the proceeds of such Federal Securities, other Federal Securities satisfying the criteria for Federal Securities set forth in the Fiscal Agent Agreement, but only after the City has obtained and delivered to the Escrow Agent (i) an unqualified opinion of nationally recognized bond counsel that such reinvestment will not adversely affect the exclusion from gross income of interest payable on the 2012A Bonds or the 2002 Bonds for purposes of federal income taxation and (ii) a report by a Verification Agent to the effect that such reinvestment will not adversely affect the sufficiency of the amounts of securities, investments and money in the Escrow Fund to pay the Refunded 2002 Bonds as provided in Section 1. The Escrow Agent shall not be liable or responsible for any loss resulting from any reinvestment made pursuant to this Escrow Agreement and in full compliance with the provisions hereof.

SECTION 5. Payment of Refunded 2002 Bonds.

(a) Payment of Refunded 2002 Bonds. From the maturing principal of the Federal Securities, if any, and the investment income and other earnings thereon, if any, and other moneys on deposit in the Escrow Fund, the Escrow Agent shall pay on [December 1, 2012] the redemption price of the Refunded 2002 Bonds (*i.e.*, 100% of the principal amount thereof), together with interest accrued thereon to the date of redemption, without premium.. Any moneys remaining in the Escrow Fund after payment of the Refunded 2002 Bonds in full as provided herein shall be transferred to the Parity Obligation Payment Fund. Any such amounts transferred to the Parity Obligation Payment Fund may be temporarily invested by the City in Investment Securities after consultation with nationally recognized bond counsel regarding yield restriction limitations with respect to such investment.

(b) Instructions to Provide Notice. The City hereby irrevocably instructs the Fiscal Agent (i) to mail a notice to the owners of the Refunded 2002 Bonds substantially in the form of Exhibit D hereto that an irrevocable deposit has been made with the Escrow Agent and that the Refunded 2002 Bonds have been deemed to be paid, all in accordance with the Fiscal Agent Agreement, and (ii) to provide notice of the redemption of the Refunded 2002 Bonds to be redeemed substantially in the form of Exhibit E hereto (A) by mail, postage prepaid, to the registered owners of the Refunded 2002 Bonds (with a copy to the bond insurer for the Refunded 2002 Bonds) and to the Municipal Securities Rulemaking Board (MSRB) through the Electronic Municipal Market Access System (referred to as "EMMA"), at www.emma.msrb.org, at least thirty (30) days but not more than sixty (60) days prior to December 1, 2012, the redemption date, all in accordance with Section 3.02 of the Fiscal Agent Agreement.

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

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

and free from trust, and all liability of the Escrow Agent with respect to such moneys shall thereupon cease and any unpaid owners of Refunded 2002 Bonds shall look only to the City for the payment thereof; provided, however, that before being required to make any such payment to the City, the Escrow Agent shall, at the expense of the City, first mail to the owners of any Refunded 2002 Bonds remaining unpaid, a notice that said moneys remain unclaimed and that the balance of such moneys then unclaimed will be returned to the City.

(d) Priority of Payments. The owners of the Refunded 2002 Bonds shall have a lien on moneys and securities, if any, in the Escrow Fund, including, as applicable, any redemption premium thereon, in accordance with this Escrow Agreement, until such moneys and such securities, if any, are used and applied as provided in this Escrow Agreement.

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

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

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

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

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

SECTION 10. Responsibilities of Escrow Agent.

(a) Liability of Escrow Agent. The Escrow Agent and its employees and agents shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the acceptance of the funds and securities deposited therein, the purchase of the Federal Securities, if any, the retention of the Federal Securities or the proceeds thereof, if any, the sufficiency of the Federal Securities, if any, to pay the Refunded 2002 Bonds or any payment, transfer or other application of moneys or obligations by the Escrow Agent in accordance with the provisions of this Escrow Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Agent made in good faith in the conduct of its duties. The recitals of fact contained in the "Whereas" clauses herein shall be taken as the statements of the City, and the Escrow Agent assumes no responsibility for the correctness thereof. The Escrow Agent makes no representation as to the sufficiency of the Federal Securities, if any, to accomplish the refunding of the Refunded 2002 Bonds or to the validity of this Escrow Agreement as to the City and, except as otherwise provided herein, the Escrow Agent shall incur no liability in respect thereof. The Escrow Agent shall not be liable in connection with the performance of its duties under this Escrow Agreement except for its own negligence or willful misconduct, and the duties and obligations of the Escrow Agent shall be determined by the express provisions of this Escrow Agreement. The Escrow Agent may consult with counsel, who may or may not be counsel to the City, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any reasonable action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Escrow Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the City. Notwithstanding anything in this Escrow Agreement to the contrary, in no event shall the Escrow Agent be liable for special, indirect or consequential loss or damage (including but not limited to lost profits), even if the Escrow Agent has been advised of such loss or damage and regardless of the form of action.

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

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

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

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

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

SECTION 11. Amendments. This Escrow Agreement is made for the benefit of the City and the owners from time to time of the Refunded 2002 Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such owners, the Escrow Agent and the City; provided, however, that the City and the Escrow Agent may, without the consent of, or notice to, such owners, amend this Escrow Agreement or enter into such agreements supplemental to this Escrow Agreement as shall not adversely affect the rights of such owners and as shall not be contrary to the terms and provisions of this Escrow Agreement or the Fiscal Agent Agreement, for any of the following purposes: (i) to cure any ambiguity or defect or omission in this Escrow Agreement; (ii) to include under this Escrow Agreement additional funds or securities; or (iii) to effect any other change to this Escrow Agreement provided that such change does not materially adversely affect the interests of the owners of the Refunded 2002 Bonds. The Escrow Agent shall be entitled to rely conclusively upon an unqualified opinion of nationally recognized bond counsel with respect to compliance with this Section 11, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the owners of the Refunded 2002 Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section 11.

SECTION 12. Term. This Escrow Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of (i) the date upon which the Refunded 2002 Bonds have been paid in accordance with this Escrow Agreement or (ii) the date upon which no unclaimed moneys remain on deposit with the Escrow Agent pursuant to Section 5(c) of this Escrow Agreement.

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

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

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

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

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

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

[Remainder of page intentionally left blank.]

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

CITY OF PASADENA, CALIFORNIA

By: _____
Andrew Green
Director of Finance

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

By _____
Authorized Officer

EXHIBIT A

REFUNDED 2002 BONDS

The Refunded 2002 Bonds have the maturity dates and CUSIP numbers as set forth below:

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

EXHIBIT B

REQUIREMENTS OF THE REFUNDED 2002 BONDS

<u>Date</u>	<u>Interest</u>	<u>Principal Redeemed</u>	<u>Redemption Premium</u>	<u>Total Requirements</u>
12/01/12			\$0	

EXHIBIT C

FEDERAL SECURITIES

UNITED STATES TREASURY SECURITIES

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

Total