

**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, 2024A SERIES OF SAID CITY; APPROVING A NOTICE OF INTENTION TO SELL BONDS, A PRELIMINARY OFFICIAL STATEMENT AND A NOTICE INVITING BIDS; AUTHORIZING THE PUBLICATION OF A NOTICE OF INTENTION TO SELL BONDS; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH**

WHEREAS, the City Council of the City of Pasadena, California (the “City Council”) deems it necessary and proper that bids be invited for the purchase of the Electric Revenue/Refunding Bonds, 2024A Series (the “2024A Bonds”) of the City of Pasadena, California (the “City”) and that the 2024A 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 2024A Bonds shall be received by the Director of Finance of the City (or in the absence of the Director of Finance, his designee) at the time and place determined as provided in the Notice of Intention to Sell Bonds and the Notice Inviting Bids as hereinafter approved.

Section 2. The Director of Finance (or in the absence of the Director of Finance, his designee) is hereby authorized and directed to publish a Notice of Intention to Sell Bonds, substantially in the form annexed hereto as “Exhibit A” and hereby approved by this City Council, by one insertion in a newspaper of general circulation published in the City, at least five days prior to the date of receiving proposals for the purchase of the 2024A Bonds.

Section 3. The City Council hereby approves the Preliminary Official Statement relating to the 2024A Bonds substantially in the form on file with the City Clerk, a copy of which has been made available to this City Council, with such changes therein as the Director of Finance of the City (or in the absence of the Director of Finance, his designee) may determine necessary, to be furnished to prospective bidders for the 2024A Bonds as provided in Section 4 hereof. The City authorizes the Director of Finance (or in the absence of the Director of Finance, his designee) to deem the Preliminary Official Statement to be final within the meaning of Securities and Exchange Commission Rule 15c2-12 subject to completion of those items permitted by said Rule. The City Council directs the City Clerk to file the Preliminary Official Statement in his office and to identify it as being the Preliminary Official Statement so approved hereby, by an endorsement thereon to that effect over his signature. The Director of Finance (or in the absence of the Director of Finance, his designee) is authorized and directed to execute and deliver a final Official Statement in substantially the form of the Preliminary Official Statement hereby approved, with such additions thereto and changes therein as are consistent with this Resolution and recommended or approved by Disclosure Counsel to the City and approved by

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

Section 4. The Director of Finance (or in the absence of the Director of Finance, his designee) is authorized and directed to cause to be furnished to prospective bidders, upon their request, a reasonable number of copies of the Ordinance authorizing issuance of the 2024A Bonds, the Electric Revenue Bond Fiscal Agent Agreement, the Eleventh Supplement to Electric Revenue Bond Fiscal Agent Agreement providing for the issuance of the 2024A Bonds as approved pursuant to said Ordinance, and the Preliminary Official Statement. The Director of Finance (or in the absence of the Director of Finance, his designee) is authorized and directed to cause to be furnished to prospective bidders, upon their request, a reasonable number of copies of the Notice Inviting Bids substantially in the form annexed hereto as “Exhibit B” and hereby approved by the City Council. The Director of Finance is further authorized and directed, after any proposal for the purchase of the 2024A Bonds has been accepted by the Director of Finance (or in the absence of the Director of Finance, his designee), and after the final Official Statement has been prepared, to cause to be furnished to the successful bidder, for use in connection with the resale of the 2024A Bonds, such number of copies of the final Official Statement as may be reasonably required.

Section 5. The Director of Finance (or in the absence of the Director of Finance, his designee) may withdraw or modify the Notice Inviting Bids and the Notice of Intention to Sell Bonds, or either, at any time by notice published via MuniOS ([www.munios.com](http://www.munios.com)) or Refinitiv Municipal Market Monitor ([www.tm3.com](http://www.tm3.com)) or other means determined by the Director of Finance (or in the absence of the Director of Finance, his designee) to be reasonably calculated to reach potential bidders for the 2024A 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 2024A Bonds are awarded, and should at a later date determine that it is desirable to receive bids for the 2024A Bonds, then the Director of Finance (or in the absence of the Director of Finance, his designee) is hereby authorized to redistribute the Notice Inviting Bids and republish the Notice of Intention to Sell Bonds with such modifications or revisions as are approved by the Director of Finance (or in the absence of the Director of Finance, his designee).

Section 6. The City Council shall confirm the award of the 2024A Bonds at the time and date specified in the Notice Inviting Bids by subsequent City Council action; provided, that if the City Council does not meet at City Hall in Council Chambers or does not achieve a quorum on the date on which bids for the 2024A Bonds are received, the Director of Finance (or in the absence of the Director of Finance, his designee) is hereby authorized and directed on behalf of the City to accept the best bid for the 2024A Bonds received (or reject all bids) pursuant to and subject to the terms and conditions set forth in the Notice Inviting Bids and to take such other actions as the Director of Finance (or in the absence of the Director of Finance, his designee) deems appropriate, consistent with the provisions hereof, and upon the execution by any member of this City Council and by the Director of Finance (or in the absence of the Director of Finance, his designee) of a Written Order to award the 2024A Bonds to the best bidder, the 2024A Bonds shall be so awarded, and the interest rate or rates on the 2024A Bonds as have been bid by the best bidder so awarded the 2024A Bonds shall be fixed.

Section 7. The law firm of Best Best & Krieger LLP, Los Angeles, California, is hereby retained as Bond Counsel and Disclosure Counsel in connection with the issuance of the 2024A Bonds, upon such terms and conditions as shall be approved and executed by the City Attorney (or in the absence of the City Attorney, her designee).

Section 8. The firm of PFM Financial Advisors LLC, Los Angeles, California, is hereby retained as municipal advisor in connection with the issuance of the 2024A Bonds, upon such terms and conditions as shall be approved by the Director of Finance (or in the absence of the Director of Finance, his designee).

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ADOPTED at a regular meeting of the City Council this 13th day of May, 2024, by the following vote:

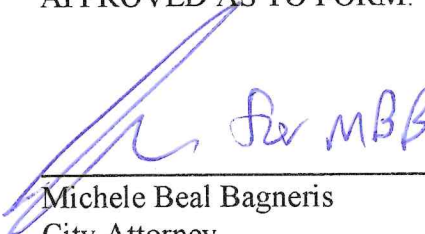
AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

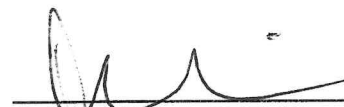
ABSENT: \_\_\_\_\_

\_\_\_\_\_  
Mark Jomsky  
City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Michele Beal Bagneris  
City Attorney

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Danny Kim, Partner  
Best Best & Krieger LLP  
Bond Counsel

**Exhibit A**

**Notice of Intention to Sell Bonds**

**NOTICE OF INTENTION TO SELL BONDS**  
**NOT TO EXCEED \$ \_\_\_\_\_\***  
**CITY OF PASADENA, CALIFORNIA**  
**ELECTRIC REVENUE/REFUNDING BONDS, 2024A SERIES**

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

**9:30 a.m., Pacific time on \_\_\_\_\_, 2024**

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, PFM Financial Advisors LLC, 555 W. 5<sup>th</sup> Street, Suite 3500, Los Angeles, California 90013, Attention: Michael Berwanger (telephone (\_\_\_\_) \_\_\_\_\_; fax (\_\_\_\_) \_\_\_\_\_), or can be obtained online at <http://www.munios.com/>.

Date: \_\_\_\_\_, 2024

\_\_\_\_\_  
*/s/ Matthew Hawkesworth*

Director of Finance  
City of Pasadena

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

## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”), dated as of \_\_\_\_\_ 1, 2024, is executed and delivered by the City of Pasadena (the “Issuer”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

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

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

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

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

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

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

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

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

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

“Disclosure Representative” means the Director of Finance of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

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

“Fiscal Agent” means The Bank of New York Mellon Trust Company, N.A., as successor fiscal agent under that Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 1998, by and between the Issuer and the Fiscal Agent, as amended and supplemented, including as amended and supplemented by the Eleventh Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of \_\_\_\_\_ 1, 2024, by and between the Issuer and the Fiscal Agent, relating to Bonds.

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

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

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

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

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

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



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

“Official Statement” means that Official Statement dated \_\_\_\_\_, 2024 prepared by the Issuer in connection with the Bonds, as listed on Exhibit A.

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

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

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

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Fiscal Agent, not later than 30 days prior to the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than 210 days after the end of the Issuer’s Fiscal Year (presently June 30), commencing with the report for Fiscal Year 2023-24. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

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

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Fiscal Agent, for filing with the MSRB.

- (e) The Disclosure Dissemination Agent shall:
- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
  - (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;
  - (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
  - (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
    - 1. “Principal and interest payment delinquencies;”
    - 2. “Non-Payment related defaults, if material;”
    - 3. “Unscheduled draws on debt service reserves reflecting financial difficulties;”
    - 4. “Unscheduled draws on credit enhancements reflecting financial difficulties;”
    - 5. “Substitution of credit or liquidity providers, or their failure to perform;”
    - 6. “Adverse tax opinions, IRS notices or events affecting the tax status of the security;”
    - 7. “Modifications to rights of securities holders, if material;”
    - 8. “Bond calls, if material;”
    - 9. “Defeasances;”
    - 10. “Release, substitution, or sale of property securing repayment of the securities, if material;”
    - 11. “Rating changes;”
    - 12. “Tender offers;”
    - 13. “Bankruptcy, insolvency, receivership or similar event of the obligated person;”
    - 14. “Merger, consolidation, or acquisition of the obligated person, if material;” and
    - 15. “Appointment of a successor or additional trustee, or the change of name of a trustee, if material;”

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

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

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

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

### SECTION 3. Content of Annual Reports.

- (a) The Issuer’s Annual Report shall contain or include by reference the following:
- (i) The Issuer’s annual Comprehensive Annual Financial Report (the “CAFR”) which shall include the audited financial statements of the Issuer’s Light and Power Fund for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Issuer’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 2(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available;
  - (ii) Pasadena Water and Power’s most recently published Annual Report, not previously filed with the MSRB;
  - (iii) Updated information comparable to the information in the following tables as they appear in the Official Statement relating to the Bonds:
    1. Table 3 entitled “TOTAL POWER GENERATED AND PURCHASED (MWh);”
    2. Table 4 entitled “POWER SUPPLY RESOURCES;”

3. Table 7 entitled “CUSTOMERS, ENERGY SALES AND REVENUES;”
4. Table 8 entitled “OUTSTANDING DEBT OF JOINT POWERS AGENCIES;”
5. Table 10 entitled “HISTORICAL OPERATING RESULTS AND DEBT SERVICE COVERAGE;” and
6. Table 11 entitled “CITY OF PASADENA ELECTRIC UTILITY FUND CONDENSED BALANCE SHEET.”

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

Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided. The Issuer will reserve the right to modify from time to time the specific type of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Issuer; provided that the Issuer will agree that any such modification will be done in a manner consistent with the Rule.

#### SECTION 4. Reporting of Notice Events.

##### (a) Reporting of Notice Events.

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

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

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

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

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.
15. Incurrence of a financial obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Obligated Person, any of which affect security holders, if material.

**Note to subsection (a)(15) of this Section 4:** Financial obligation means a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). Financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Obligated Person, any of which reflect financial difficulties.

The Issuer shall, in a timely manner not in excess of ten business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall

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

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

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

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

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

SECTION 7. Voluntary Filings.

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

Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof.

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

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

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

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

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

**SECTION 10. Remedies in Event of Default.** In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders'



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

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

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Issuer at all times.

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

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

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

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

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

within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

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

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

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

*(Signature page follows)*

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

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

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

CITY OF PASADENA, CALIFORNIA,  
as Issuer

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

APPROVED AS TO FORM:

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

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Danny Kim, Partner  
Best Best & Krieger LLP  
Bond Counsel

*-Signature Page-  
Continuing Disclosure Agreement*

**EXHIBIT A**

**NAME AND CUSIP NUMBERS OF BONDS**

Name of Issuer City of Pasadena, California  
Obligated Person(s) City of Pasadena, California  
Name of Bond Issue: \$ \_\_\_\_\_ Electric Revenue/Refunding Bonds, 2024A Series  
Date of Issuance: \_\_\_\_\_, 2024  
Date of Official Statement: \_\_\_\_\_, 2024

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

**EXHIBIT B**

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

Issuer: City of Pasadena, California  
Obligated Person: City of Pasadena, California  
Name of Bond Issue: \$\_\_\_\_\_ Electric Revenue/Refunding Bonds, 2024A Series  
Date of Issuance: \_\_\_\_\_, 2024

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement, dated as of \_\_\_\_\_ 1, 2024, between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by\_\_\_\_\_.

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

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,  
on behalf of the City of Pasadena, California

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

cc: Director of Finance, City of Pasadena

**Exhibit B**  
**Notice Inviting Bids**

## NOTICE INVITING BIDS

### CITY OF PASADENA, CALIFORNIA

#### Electric Revenue/Refunding Bonds, 2024A 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

\_\_\_\_\_, 2024  
at 9:30 A.M. Pacific time,

for the purchase of \$\_\_\_\_\_ (approximate) aggregate principal amount of City of Pasadena, California Electric Revenue/Refunding Bonds, 2024A Series (the “2024A Bonds”), more particularly described herein. See “TERMS OF SALE—Form of Bid and Surety Bond—Warnings Regarding Electronic Bids” herein.

Interest on the 2024A Bonds is excluded pursuant to section 103(a) of the Internal Revenue Code of 1986 from the gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, as more fully described in the Preliminary Official Statement (as hereinafter defined).

The City reserves the right to cancel or reschedule the sale of the 2024A Bonds or change the terms thereof upon notice given through MuniOS ([www.munios.com](http://www.munios.com)) or Refinitiv Municipal Market Monitor ([www.tm3.com](http://www.tm3.com)) (“TM3”) prior to the time bids are to be received. If the sale is rescheduled, bids will be received at the place set forth above, at such date and time as the City shall determine. Notice of the new sale date, time and terms, if any, will be given through MuniOS or TM3 as soon as practicable prior to the new time bids are to be received.

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

#### TERMS OF THE 2024A 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® electronic bid submission system. In the event the Parity’s summary of the terms of sale of the 2024A 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 2024A Bonds**

The bids will be received at the above time and place, will be opened by the Director of Finance or his designee, and the 2024A Bonds are expected to be awarded by the City at the City Council meeting later that day. If the City Council does not meet or does not achieve a quorum on the date on which bids for the 2024A Bonds are received, the Director of Finance (or in the absence of the Director of Finance, his designee) is authorized and directed on behalf of the City to accept the best bid for the 2024A Bonds received (or reject all bids) and to take such other actions as the Director of Finance (or in the absence of the Director of Finance, his designee) deems appropriate.

## **The Issue**

The 2024A Bonds are being issued by the City for the purpose of providing moneys to (i) refund all of the City's outstanding Electric Revenue Refunding Bonds, 2013A Series (the "2013A Bonds"), (ii) finance the costs of acquisition and construction of certain improvements to the Electric System of the City, (iii) fund a deposit to the Parity Reserve Fund, and (iv) pay the costs of issuance of the 2024A Bonds.

## **Authority for Issuance**

The 2024A Bonds are authorized and issued pursuant to Article XIV of the City Charter, an Ordinance adopted by the City Council of the City on \_\_\_\_\_, 2024 (the "Ordinance"), and an Electric Revenue Bond Fiscal Agent Agreement, dated as of August 1, 1998 (the "Master Fiscal Agent Agreement"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as successor fiscal agent (the "Fiscal Agent"), as previously amended and supplemented, and as further amended and supplemented by an Eleventh Supplement to Electric Revenue Bond Fiscal Agent Agreement, dated as of \_\_\_\_\_ 1, 2024 (the "Eleventh Supplement"), to be executed simultaneously with the delivery of the 2024A Bonds (together with the Master Fiscal Agent Agreement as previously amended and supplemented, the "Fiscal Agent Agreement"). The City has previously issued its Electric Revenue/Refunding Bonds, 2016A Series (the "2016A Bonds"), and its Electric Revenue Refunding Bonds, 2019A Series (the "2019A Bonds"), each pursuant to the Fiscal Agent Agreement, of which \$104,810,000 aggregate principal amount of 2016A Bonds and 2019A Bonds will remain outstanding after delivery of the 2024A Bonds. The 2024A Bonds will be issued on a parity with the 2016A Bonds and the 2019A Bonds remaining outstanding upon delivery of the 2024A 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 2024A Bonds, the 2019A Bonds, the 2016A 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 \_\_\_\_\_, 2024, relating to the 2024A Bonds (the "Preliminary Official Statement"), for definitions of terms and for further particulars, including further information regarding the 2024A Bonds. This Notice Inviting Bids contains certain information for general reference only, is not a summary of the issue and governs only the terms of the sale of, bidding for, and closing procedures with respect to, the 2024A 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 2024A Bonds are an obligation payable solely from the Light and Power Fund of the City and certain other funds as provided in the Fiscal Agent Agreement. The 2024A Bonds are secured by a pledge of and lien upon Net Income of the Electric System on a parity with other Bonds and Parity Obligations.

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

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

“Maintenance and Operating Expenses” means the amount required to pay the reasonable expenses of management, repair and other costs, of the nature of costs which have historically and customarily been accounted for as such, necessary to operate, maintain and preserve the Electric System in good repair and working order, including but not limited to, the cost of supply and transmission of electric energy under long-term contracts or otherwise and the expenses of

conducting the Electric System, but excluding depreciation. “Maintenance and Operating Expenses” will include all amounts required to be paid by the City under contract with a joint powers agency for purchase of capacity, energy, transmission capability or any other commodities or services in connection with the foregoing, which contract requires payments by the City to be made thereunder to be treated as Maintenance and Operating Expenses.

**The general fund of the City is not liable for the payment of any 2024A 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 2024A Bonds, any premium thereon upon redemption prior to maturity, or their interest. The Owner of any 2024A 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 2024A 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 2024A 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” means, as of any date of determination and excluding therefrom any Parity Obligations for which no reserve fund is to be maintained or for which a separate reserve fund is to be maintained, the least of (a) ten percent (10%) of the initial offering price to the public of each Series of Bonds and Parity Obligations to be secured by the Parity Reserve Fund as determined under the Code, or (b) the maximum Annual Debt Service on all Bonds and Parity Obligations to be secured by the Parity Reserve Fund, or (c) one hundred twenty-five percent (125%) of the Average Annual Debt Service on all Bonds and Parity Obligations to be secured by the Parity Reserve Fund, all as computed and determined by the City; provided, that such requirement (or any portion thereof) may be provided by the City delivering to the Fiscal Agent for credit to the Parity Reserve Fund one or more policies of municipal bond insurance or surety bonds issued by a municipal bond insurer if the obligations insured by such insurer have ratings at the time of issuance of such policy is in one of the two highest rating categories of Moody’s, Standard & Poor’s or Fitch or by a letter of credit issued by a bank or other institution if the obligations issued by such bank or other institution have ratings at the time of issuance of such letter of credit in one of the two highest rating categories of Moody’s, Standard & Poor’s or Fitch.

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.

**On such date the 2016A Bonds and the 2019A Bonds are defeased, paid or discharged in accordance with their terms and are no longer Outstanding for purposes of the Fiscal Agent Agreement, the Reserve Fund Requirement shall be zero dollars and accordingly, all**

**of the amounts held in the Parity Reserve Fund shall be released to the City to be used for lawful purposes.**

**Book-Entry Only**

The 2024A 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 2024A Bonds. Individual purchases of the 2024A Bonds will be made in book-entry form only, in denominations of \$5,000 principal amount or any integral multiple thereof. Payments of principal of, and interest and premium, if any, on the 2024A 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 2024A Bonds.

**Interest Payment Dates**

The 2024A Bonds will be dated the date of delivery and interest will be payable semiannually on each February 1 and August 1, commencing \_\_\_\_\_ 1, 202\_\_, to holders of record on the preceding January 15 and July 15, respectively, until maturity or redemption.

**Principal Amortization\***

The 2024A Bonds shall be subject to principal amortization on August 1 in the following years and amounts described in the following table, subject to the adjustments described below:

Maturity  
(August 1)

Principal  
Amount\*

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\* Preliminary, subject to adjustment as described below.

### **Adjustment of Principal Amounts and Amortization Schedule**

The principal amounts set forth in this Notice Inviting Bids reflect certain estimates of the City and its Municipal Advisor with respect to the possible interest rates of the winning bid and the premium, if any, contained in the winning bid. The principal amortization schedule may be changed prior to the time bids are to be received and, if adjustments are made, bidders must bid on the basis of the adjusted schedule. Such changes, if any, will be communicated through MuniOS or TM3 not later than 1:00 p.m., Pacific time, on the business day prior to the bid opening. After selecting the winning bid, the principal amount of the 2024A Bonds and amortization schedule may be adjusted in \$5,000 increments as necessary in the determination of the Municipal Advisor to reflect the actual interest rates and any premium in the winning bid and to achieve the City's debt structuring objectives. Such adjustments after the selection of the winning bid will not change the principal amount due on the 2024A Bonds in any year by more than the greater of (i) \$ \_\_\_\_\_ or (ii) ten percent (10%) of the preliminary principal amount in any given year. Any such adjustment will be communicated to the winning bidder within 24 hours after acceptance of the bids. Changes in the amortization schedule made subsequent to bid opening as described above will not affect the determination of the winning bidder or give the winning bidder any right to reject the 2024A 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 2024A 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 per bond 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 and/or Term Bonds**

Bidders may provide that the 2024A Bonds be issued as serial bonds or may provide that any two or more consecutive annual principal amounts be combined into one or more term bonds, provided no annual principal amounts maturing on or before August 1, 20\_\_ may be combined with any annual principal amounts maturing on or after August 1, 20\_\_ and no annual principal amounts maturing on or before August 1, 20\_\_ may be combined with any annual principal amounts maturing on or after August 1, 20\_\_.

### **Mandatory Sinking Fund Redemption**

If the successful bidder designates principal amounts to be combined into one or more term bonds, each such term bond shall be subject to mandatory sinking fund redemption commencing on August 1 of the first year which has been combined to form such term bond and continuing on August 1 in each year thereafter until the stated maturity date of that term bond. The amount redeemed in any year shall be equal to the principal amount for such year set forth in the table above under the caption "Principal Amortization", as adjusted in accordance with the provisions described above under the caption "Adjustment of Principal Amounts and Amortization Schedule". The 2024A Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed in part at par and shall be selected by lot from among the 2024A Bonds then subject to redemption. The City, at its option, may credit against any mandatory sinking fund redemption requirement term bonds of the maturity then subject to redemption which have been purchased and cancelled by the City or have been redeemed and not theretofore applied as a credit against any mandatory sinking fund redemption requirement.

### **Optional Redemption**

The 2024A Bonds maturing prior to August 1, 20\_\_ are not subject to call and redemption prior to maturity. The 2024A Bonds maturing on or after August 1, 20\_\_ are subject to call and redemption prior to maturity, at the option of the City, as a whole or in part on August 1, 20\_\_ or on any date thereafter, in any order of maturity established by the City and by lot within a single maturity, from funds derived by the City from any legal source, at a redemption price equal to the principal amount of the 2024A Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.

### **Notice of Redemption**

Upon any purchase or redemption of the 2024A Bonds designated to be term bonds, an amount equal to the aggregate principal amount of 2024A Bonds so purchased or redeemed shall be credited towards a part or all of any one or more yearly mandatory sinking account payments required by the Fiscal Agent Agreement, as directed in writing by a certificate of the Director of Finance. The portion of any such mandatory sinking account payments remaining after the deduction of any such amounts credited toward the same (or the original amount of any such

mandatory sinking account payments if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such mandatory sinking account payments for the purpose of the calculation of principal payments due on any future principal payment date. In such event, the City shall provide the Fiscal Agent with a revised sinking fund payment schedule.

Notice of redemption shall be given by the Fiscal Agent, not less than thirty (30) nor more than sixty (60) days prior to the redemption date, (i) by mail to each Owner and the Securities Depositories and (ii) electronically to one or more Information Services. Notice of redemption to the Securities Depositories shall be given by telecopy, certified, registered or overnight mail or by such other method as may be requested by the Securities Depositories. Each notice of redemption shall state the date of such notice, the date of issue of the 2024A Bonds to which such notice relates, the redemption date, the Redemption Price, the place or places of redemption (including the name and appropriate address or addresses of the Fiscal Agent), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity, the distinctive certificate numbers of the 2024A Bonds of such maturity to be redeemed and, in the case of 2024A Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said 2024A Bonds the Redemption Price thereof or of said specified portion of the principal amount thereof in the case of a 2024A Bond to be redeemed in part only, together with interest accrued thereon to the date fixed for redemption, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such 2024A Bonds be then surrendered at the address or addresses of the Fiscal Agent specified in the redemption notice. Neither the City nor the Fiscal Agent shall have any responsibility for any defect in the CUSIP number that appears on any 2024A Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the City nor the Fiscal Agent shall be liable for any inaccuracy in such numbers.

In the event of an optional redemption of 2024A Bonds, if the City shall not have deposited or otherwise made available to the Fiscal Agent the money required for the payment of the redemption price of the 2024A Bonds to be redeemed at the time of the mailing of notice of redemption, such notice of redemption shall state that the redemption is expressly conditioned upon the timely deposit of sufficient funds therefor with the Fiscal Agent.

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

### **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 2024A Bonds and for the registration of the 2024A Bonds.

## Legal Opinion

The City will furnish to the successful bidder at the closing of the 2024A Bonds, the legal opinion of Bond Counsel, Best Best & Krieger LLP, that under existing law, interest on the 2024A Bonds is exempt from personal income taxes of the State of California and that based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2024A Bonds is excluded from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986 and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel will express no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the 2024A Bonds.

## Continuing Disclosure

In order to assist bidders in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), the City will undertake, pursuant to a Continuing Disclosure Agreement, to provide certain annual financial information and notices of the occurrence of certain events. A form of the Continuing Disclosure Agreement is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

## TERMS OF SALE

### Interest Rates and Limits on Purchase Price

No bid for other than all of the 2024A Bonds will be considered.

Bidders must specify a rate of interest for each maturity of the 2024A 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 \_\_\_\_\_ percent (\_\_\_\_%) per annum. All 2024A Bonds of the same maturity must bear the same rate of interest. No 2024A Bonds may bear a rate of interest greater than [six] percent ([6]%).

Bidders must bid to purchase the 2024A Bonds with an aggregate price of (i) not more than [one hundred \_\_\_\_\_ percent (1\_\_\_\_.000%)] of the principal amount thereof and (ii) not less than [one hundred \_\_\_\_\_ percent (1\_\_\_\_.000%)] of the principal thereof.

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

## Award

If satisfactory bids are received, the 2024A 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 2024A Bonds and to the price bid. For the purpose of calculating the True Interest

Cost, the principal amount of 2024A Bonds established for mandatory sinking fund redemption as part of a term bond shall be treated as a serial maturity in each year. In the event that two or more bidders have bid the same True Interest Cost, the award shall be made at the discretion of the City.

### **Right of Rejection**

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

### **Equal Opportunity**

It is the policy of the City that disadvantaged business enterprises (“DBE”) and all other business enterprises have an equal opportunity to participate in the performance of the City contracts. Bidders are required to make a good faith effort to reach out to the DBEs to ensure they have equal opportunity to compete for the purchase of the 2024A Bonds.

### **Insurance**

The successful bidder shall not purchase municipal bond insurance in connection with the 2024A Bonds.

### **Form of Bid**

Bidders must purchase the 2024A Bonds at a price equal to the principal amount thereof plus a premium. (See “Interest Rates and Limits on Purchase Price” above.) Each bid must be delivered by electronic transmission, as described below, and received by 9:30 a.m., Pacific time, \_\_\_\_\_, 2024. Each bid must be in accordance with the terms and conditions set forth in this Notice Inviting Bids.

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

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

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



assumes no responsibility for informing any bidder prior to the deadline for receiving bids that its bid is incomplete or not received.

### **Good Faith Deposit**

The successful bidder shall provide a wire transfer of immediately available federal funds in the amount of \$ \_\_\_\_\_ as a good faith deposit (“Good Faith Deposit”) within 90 minutes of the verbal award of the 2024A Bonds.

The Good Faith Deposit will be retained by the City and applied to the purchase price of the 2024A Bonds when the 2024A 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 will 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 2024A Bonds at the time of delivery thereof.

If the purchase price is not paid in full upon delivery of the 2024A Bonds, the successful bidder shall have no right in or to the 2024A Bonds or to the recovery of its Good Faith Deposit, or to any allowance or credit by reason of such Good Faith Deposit, unless (i) it shall appear that the 2024A Bonds would not be validly issued if delivered to the successful bidder in the form and manner proposed or (ii) as provided in “Right of Cancellation by Bidder” below. Except as provided in the prior sentence, in the event of nonpayment by the successful bidder, the amount of the Good Faith Deposit shall be retained by the City. Notwithstanding the foregoing, should the successful bidder fail to pay for the 2024A 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 2024A 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 2024A Bonds.

## Establishment of Issue Price

(a) The successful bidder shall assist the City in establishing the issue price of the 2024A Bonds in accordance with applicable requirements of the Internal Revenue Code, and shall execute and deliver to the City at Closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the 2024A Bonds, together with the supporting pricing wires or equivalent communications, substantially in one of the forms attached hereto as Exhibit A, as applicable, with such modifications as may be appropriate or necessary, in the reasonable judgment of the City and Bond Counsel. All actions to be taken by the City under this Notice Inviting Bids to establish the issue price of the 2024A Bonds may be taken on behalf of the City by the City’s Municipal Advisor identified herein and any notice or report to be provided to the City may be provided to the City’s Municipal Advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the 2024A Bonds) will apply to the initial sale of the 2024A Bonds (the “Competitive Sale Requirements”) because:

- (1) the City shall disseminate this Notice Inviting Bids to potential Underwriters (as defined below) in a manner that is reasonably designed to reach such potential Underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City anticipates receiving bids from at least three Underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the 2024A Bonds to the bidder who submits a firm offer to purchase the 2024A Bonds at the highest price (or lowest interest cost), as set forth in this Notice Inviting Bids.

Any bid submitted pursuant to this Notice Inviting Bids shall be considered a firm offer for the purchase of the 2024A Bonds, as specified in the bid.

(c) In the event that the Competitive Sale Requirements set forth in (b)(3) above are not satisfied, the City shall so advise the successful bidder. In such event, the City shall treat the first single price at which 10% of a Maturity (defined below) of the 2024A Bonds (the “10% test”) is sold to the public as the issue price of that Maturity, applied on a Maturity-by-Maturity basis, EXCEPT any Maturity of the 2024A Bonds identified by the successful bidder in writing within four hours of the time of the award as a hold-the-offering-price Maturity (each a “HTP Maturity”). Each HTP Maturity will be subject to the “Hold-the-Offering-Price Requirements” further described and set forth in subsection (e) below. **Bids will NOT be subject to cancellation in the event that the Competitive Sale Requirements set forth in (b)(3) above are not satisfied.**

(d) In the event that the Competitive Sale Requirements set forth in (b)(3) above are not satisfied, the successful bidder shall advise the City, within four hours of the time of award of the 2024A Bonds, which Maturities of the 2024A Bonds satisfy the 10% Test as of the date of

award, and confirm any HTP Maturities which shall be subject to the Hold-the-Offering-Price Requirements. For each Maturity of the 2024A Bonds that does not satisfy the 10% Test, except for any HTP Maturity identified in writing within four hours of the time of award, the successful bidder agrees to promptly report to the City the prices at which the unsold 2024A Bonds of that Maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% Test has been satisfied as to the 2024A Bonds of that Maturity or until all 2024A Bonds of that Maturity have been sold.

(e) By submitting a bid, each bidder (i) confirms that the bidder has offered or will offer the 2024A Bonds to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the bidder, (ii) certifies that the bidder is an underwriter of municipal obligations who has an established industry reputation for underwriting new issuances of municipal obligations, and (iii) on behalf of the Underwriters participating in the purchase of the 2024A Bonds with the bidder, for each HTP Maturity identified and confirmed by the successful bidder, that such Underwriters will neither offer nor sell unsold 2024A Bonds of any such HTP Maturity to which the Hold-the-Offering-Price Requirements described in this subsection (e) shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the Sale Date and ending on the earlier of the following:

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

The successful bidder shall promptly advise the City when the Underwriters have sold 10% of each HTP Maturity of the 2024A Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

(f) The City acknowledges that, in making the representation set forth in subsection (e) above, the successful bidder will rely upon (i) the agreement of each Underwriter to comply with the Hold-the-Offering-Price Requirements, as set forth in an agreement among Underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the 2024A Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the Hold-the-Offering-Price Requirements, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the 2024A Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the Hold-the-Offering-Price Requirements, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the Hold-the-Offering-Price Requirements and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the Hold-the-Offering-Price Requirements as applicable to the 2024A Bonds.

(g) By submitting a bid, each bidder confirms that any agreement among Underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the 2024A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each Maturity allotted to it until it is notified by the successful bidder that either the 10% Test has been satisfied as to a Maturity or all Bonds of that Maturity have been sold to the public and (B) comply with the Hold-the-Offering-Price Requirements, in the event that the bidder intends to utilize the Hold-the-Offering-Price Requirements, in each case if and for so long as directed by the successful bidder and as set forth in the related pricing wires.

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

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

(2) “Underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the 2024A Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the 2024A Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the 2024A Bonds to the public);

(3) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates are treated as separate Maturities;

(4) a purchaser of any of the 2024A Bonds is a “Related Party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(5) “Sale Date” means the date that the 2024A Bonds are awarded by the City to the successful bidder.

## **California Debt and Investment Advisory Commission**

The successful bidder will be required to pay any fees due to the California Debt and Investment Advisory Commission (“CDIAC”) under California law. CDIAC will invoice the successful bidder after the delivery of the 2024A Bonds.

### **CUSIP Numbers and Other Fees**

It is anticipated that CUSIP numbers will be printed on the 2024A Bonds, but neither the failure to print such numbers on any 2024A 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 2024A Bonds in accordance herewith. The City’s Municipal Advisor, PFM Financial Advisors LLC, will apply for CUSIP numbers for the 2024A Bonds and will submit the CUSIP numbers to Parity to be provided to all bidders. All charges of the CUSIP Service Bureau for the assignment of CUSIP numbers for the 2024A Bonds shall be paid by the successful bidder. The successful bidder shall also be required to pay all fees required by DTC, the Securities Industry and Financial Markets Association, the Municipal Securities Rulemaking Board and any other similar entity imposing a fee in connection with the issuance and delivery of the 2024A Bonds.

### **No Litigation**

There is no litigation pending concerning the validity of the 2024A 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 2024A Bonds.

### **Official Statement**

The City has approved a Preliminary Official Statement dated \_\_\_\_\_, 2024, which the City has “deemed final” for purposes of Rule 15c2-12 (the “Rule”) of the Securities and Exchange Commission although subject to revision, amendment and completion in a final Official Statement in conformity with such Rule. The City will furnish to the successful bidder, at no expense to the successful bidder, within seven (7) business days of the award date, the Official Statement, in electronic format.

### **Certificate Regarding Official Statement**

The City will provide to the successful bidder of the 2024A 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 2024A 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 2024A Bonds is expected to occur on or about \_\_\_\_\_, 2024. The 2024A Bonds will be delivered in New York, New York (by Fast Automated Securities Transfer)

to DTC. The successful bidder shall pay for the 2024A 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 2024A Bonds less the amount of the Good Faith Deposit. Any expense of providing immediately available funds, whether by transfer of Federal Reserve Bank funds or otherwise, shall be borne by the successful bidder.

**Right of Cancellation by City**

The City reserves the right at any time prior to and including the day of the bid opening, to cancel the public sale of the 2024A Bonds. In such event, the City shall cause notice of the cancellation of this invitation for bids and the public sale of the 2024A Bonds to be communicated through MuniOS or TM3 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 2024A Bonds.

**Right of Cancellation by Bidder**

The successful bidder shall have the right, at its option, to cancel its obligation to purchase the 2024A Bonds if the City shall fail to execute the 2024A Bonds and tender the same for delivery within 30 days from the date of award thereof, and in such event the successful bidder shall be entitled to the return of the Good Faith Deposit accompanying its proposal.

**Additional Information**

Copies of the Ordinance, the Fiscal Agent Agreement, and the Preliminary Official Statement will be furnished to any potential bidder upon request made to the City’s Municipal Advisor, PFM Financial Advisory LLC, 555 W. 5<sup>th</sup> Street, Suite 3500, Los Angeles, California 90013, Attention: Michael Berwanger (telephone (\_\_\_\_) \_\_\_\_\_, fax (\_\_\_\_) \_\_\_\_\_).

Date: \_\_\_\_\_, 2024

\_\_\_\_\_  
/s/ Matthew E. Hawkesworth  
Director of Finance  
City of Pasadena

**EXHIBIT A**  
**ISSUE PRICE CERTIFICATE**  
**(VERSION 1 – USED IF 3 BIDS FROM**  
**COMPETITIVE PROVIDERS ARE RECEIVED)**

This certificate is being delivered by \_\_\_\_\_, the purchaser (the “Purchaser”) in connection with the issuance by the City of Pasadena, California (the “City”) of the City of Pasadena, California Electric Revenue/Refunding Bonds, 2024A Series (the “Bonds”). The Purchaser hereby certifies and represents that:

**1. *Reasonably Expected Initial Offering Price.***

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

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

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

**2. *Defined Terms.***

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

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

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is \_\_\_\_, 2024.

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

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury



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

[PURCHASER]

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

Name: \_\_\_\_\_

Dated: [EXECUTION AND DELIVERY DATE]

## ISSUE PRICE CERTIFICATE

### [VERSION 2 – USED IF THE COMPETITIVE SALE REQUIREMENTS OF 3 BIDS FROM COMPETITIVE PROVIDERS ARE NOT SATISFIED AND PURCHASER ELECTS TO UTILIZE THE 10% TEST FOR ALL MATURITIES]

This certificate is being delivered by \_\_\_\_\_, the purchaser (the “Purchaser”) in connection with the issuance by the City of Pasadena (the “City”) of the City of Pasadena, California Electric Revenue/Refunding Bonds, 2024A Series (the “Bonds”). The Purchaser hereby certifies and represents that:

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

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

3. ***Defined Terms.***

(a) *Maturity* means the Bonds maturing on the same date and bearing the same credit and payment terms. Bonds with different payment dates.

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

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is \_\_\_\_\_, 2024.

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

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

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

[PURCHASER]

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

Name: \_\_\_\_\_

Dated: [EXECUTION AND DELIVERY DATE]

## ISSUE PRICE CERTIFICATE

### [VERSION 3 --- USED IF THE COMPETITIVE SALE REQUIREMENTS OF 3 BIDS FROM COMPETITIVE PROVIDERS ARE NOT SATISFIED AND PURCHASER SELECTS HOLD-THE-OFFERING-PRICE RULE FOR CERTAIN MATURITIES]

This certificate is being delivered by \_\_\_\_\_, the purchaser (the “Purchaser”) in connection with the issuance by the City of Pasadena (the “City”) of the City of Pasadena, California Electric Revenue/Refunding Bonds, 2024A Series (the “Bonds”). The Purchaser hereby certifies and represents that:

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

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

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

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

5. ***Defined Terms.***

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

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

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

(d)  *Sale Date*  means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is \_\_\_\_, 2024.

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

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

[PURCHASER]

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

Name: \_\_\_\_\_

Dated: [EXECUTION AND DELIVERY DATE]

**SCHEDULE A TO ISSUE PRICE CERTIFICATE**

**TO BE USED IF COMPETITIVE SALE REQUIREMENTS OF 3 BIDS FROM  
COMPETITIVE PROVIDERS ARE NOT SATISFIED**

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

Payment Date (August 1)	Principal Amount	Interest Rate	Yield	Issue Price	10% Rule Maturity	HTP Maturity
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**SCHEDULE B TO ISSUE PRICE CERTIFICATE**

**PRICING WIRE (OR EQUIVALENT COMMUNICATION) (OR BID SUBMITTED, AS APPLICABLE)**