

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: September 9, 2021

CAO File No. 0220-05291-1056

Council File No.

Council District: All

To: The Mayor
The City Council

From: Matthew W. Szabo, City Administrative Officer



Reference: Los Angeles Wastewater System Debt Financing Program

Subject: **EXTENSION OF THE CREDIT FACILITIES FOR THE LOS ANGELES
WASTEWATER SYSTEM COMMERCIAL PAPER PROGRAM**

RECOMMENDATIONS

That the City Council, subject to the approval of the Mayor:

1. ADOPT the Amended and Restated First Supplemental Resolution (Attachment A), which supplements and amends the Wastewater System Subordinate Revenue Bonds General Resolution and certain Supplemental Resolutions thereto previously adopted by the City Council on March 26, 1991, and amends and restates the Original First Supplemental Resolution to eliminate the need to amend the definitions or other terms of the Original First Supplemental Resolution to conform to the mechanical provisions relating to Advances under the Credit Agreements or to conform to the repayment terms of the Credit Agreements and the Bank Notes by Supplemental Resolution in connection with each substitution or extension, and to consolidate all of the amendments contained in the Previous Commercial Paper Supplemental Resolutions;
2. ADOPT the Authorizing Resolution (Attachment B), which authorizes, among other things, the negotiation, execution, and delivery of certain legal documents (Attachments C through I) in connection with the expansion of the Los Angeles Wastewater System Commercial Paper Program through the increase of the stated amounts of the letters of credit with Barclays Bank PLC and Toronto-Dominion Bank, New York Branch and the extension of the expiration dates of such letters of credit; and,
3. AUTHORIZE the City Administrative Officer to make technical changes and adjustments as necessary to those transactions in this report and to implement the intent of the Mayor and the City Council.

SUMMARY

The City Administrative Officer (CAO) requests authority to execute agreements and other documents with banks providing credit facilities for the Wastewater System Commercial Paper Program (LAWW CP Program). This Office recommends extending the Letters of Credit (LOC) currently provided by Barclays Bank PLC (Barclays) and Toronto-Dominion Bank, New York Branch (TD Bank) for three years through October 2024. The LOC to be provided by Barclays is for \$120 million plus interest, with a LOC fee rate of 24 basis points (0.24 percent) per annum. The LOC for TD Bank is for \$280 million plus interest, with a LOC fee rate of 22 basis points (0.22 percent) per annum.

This Office also recommends increasing the size of the LAWW CP Program from \$250 million to the maximum authorized limit of \$400 million to meet the capital needs of the Wastewater System consistent with the Bureau of Sanitation's (LASAN) Capital Improvement Plan (CIP). Approximately \$2.2 billion of the CIP is anticipated to be debt financed over the next five years.

To proceed with the negotiation, execution, and delivery of the Letters of Credit, the City Council will need to adopt the Amended and Restated First Supplemental Resolution (Attachment A) and the Authorizing Resolution (Attachment B).

This financing is expected to close on October 15, 2021, or prior to the expiration date of the current letters of credit, which is on October 22, 2021.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund from the approval of the proposed recommendation to extend and increase the stated amounts of the Credit Facilities for the Wastewater System Commercial Paper Program as the Letter of Credit fees, interest costs, and other fees associated with this transaction are budgeted in the Sewer Construction and Maintenance Fund for Fiscal Year 2021-22.

FINANCIAL POLICIES STATEMENT

The recommendations in this report comply with the City's Financial Policies in that all fees, interest and principal related to the LAWW CP Program will be paid from the Sewer Construction and Maintenance Fund.

DEBT IMPACT STATEMENT

There is no impact to the General Fund from the approval of the proposed recommendation to extend and increase the stated amounts of the Credit Facilities for the Wastewater System Commercial Paper Program as the interest costs associated with this transaction are budget in the Sewer Construction and Maintenance Fund for Fiscal Year 2021-22. The total LOC fees for both Barclays and TD Bank, assuming a \$250 million LAWW CP Program increase to \$400 million, as proposed, is estimated to be \$948,000 through October 2022.

(Statement of Findings Attached)

1. Background – Wastewater System Commercial Paper Program

Commercial Paper (CP) is a short-term borrowing mechanism for construction financing. The LAWW CP Program allows the City to access the financial markets quickly to obtain flexible, short-term financing, as cash is needed, to pay invoices related to capital projects. CP notes, as opposed to long-term bonds, have short maturities ranging from one to 270 days. Upon maturity, the CP notes are either resold or “rolled” (replaced by newly issued CP) in the market or refinanced into long-term bonds. Long-term refinancing occurs when the amount of outstanding CP notes approaches the maximum LAWW CP Program limit. As of August 31, 2021, \$145 million in LAWW CP notes are outstanding.

The Wastewater System Commercial Paper Program was established by the City in 1991 with a maximum outstanding principal authority of \$130 million (C.F. 89-2662-S2). In 1996, the maximum authority for the LAWW CP program was increased to \$200 million, and then increased again in 1997 to the current maximum authority of \$400 million. The current LAWW CP Program is backed by two Letters of Credit with Barclays (\$100 million) and TD Bank (\$150 million). The maximum principal amount of CP notes that can be outstanding under the existing LAWW CP Program is \$250 million, since this is the amount of LOC coverage provided. The proposed transaction will increase the LOC coverage to \$400 million, which is aligned with the current maximum authority.

2. Proposed Transaction

This Office recommends extending the Barclays and TD Bank LOCs for an additional three-years through October 2024. The current LOCs with Barclays and TD Bank expire on October 22, 2021. This Office also recommends increasing the size of the LAWW CP Program from \$250 million to \$400 million to meet the capital needs of the Wastewater System consistent with LASAN’s Capital Improvement Plan. The LOC to be provided by Barclays is for \$120 million plus interest, with a LOC fee rate of 24 basis points (0.24 percent) per annum. The LOC for TD Bank is for \$280 million plus interest, with a LOC fee rate of 22 basis points (0.22 percent) per annum.

In June 2021, as the expiration date for the current LOCs was nearing, the CAO engaged its municipal advisor to discuss the strategy for renewal or substitution of the LOCs. Together we determined that it was in the best interest of the City to reach out the existing LOC providers for short term extensions to the existing LOCs to provide the City with adequate time to effectuate a renewal or substitution. During initial conversations with the existing LOC providers, they proposed favorable rates and terms for up to an additional three years, and also agreed to increase the overall LOC size. TD Bank proposed no change to the existing LOC fee rate of 22 basis points (0.22 percent) per annum, and offered to increase the stated amount of the LOC from \$150 million to \$280 million. Barclays proposed increasing the current fee rate by two basis points (0.02 percent) to 24 basis points (0.24 percent) per annum, and increasing the LOC size from \$100 million to \$120 million. This Office, in consultation with its municipal advisor, determined that the rates and terms proposed by the existing LOC providers were more favorable than what the City could get through a competitive process and that it would be impractical, more costly, and undesirable to begin a new request for proposals (RFP) process as such competitive process would not yield lower rates to the City than what the existing LOC providers offered, based on current market conditions. Based on their research our municipal advisor indicated that other issuers of the same credit quality as the City received higher proposed rates from banks in and around the same time period when TD

Bank and Barclays made their offer. Our municipal advisor advised that based on what they were seeing in the market, the rates offered by the existing LOC Providers would be the most favorable to the City. As such, this Office believes that it is in the best financial interest of the City to enter into these extensions with the existing LOC providers. The City Attorney concurs with this recommendation.

The LOC agreements provide the City the option to terminate after one year at no cost.

3. Wastewater System Commercial Paper Program Team

The LAWW CP Program team maintains and provides access to the financial markets and enhances the marketability of the CP notes. The team members include the CP dealers, an issuing and paying agent, and letter of credit banks. The CP dealers sell and resell the CP notes. The issuing and paying agent facilitate the necessary transactions for CP issuances and payments as instructed by the City. The LAWW CP Program requires liquidity support in the form of a letter of credit because buyers of CP have an expectation to get paid quickly. The letter of credit will be a “direct pay” meaning that the bank will pay the interest and principal as it becomes due and then the City will reimburse the bank by the close of business day. The LAWW CP team members, as proposed, are as follows:

CP Dealers	Letter of Credit Banks	Issuing and Paying Agent
Barclays	Barclays	US Bank
Citigroup Global Markets	TD Bank	

The existing CP dealers for the LAWW CP Program are Barclays and Citigroup Global Markets. The CP dealers were previously approved by the Mayor and City Council to serve as the CP Dealers for the LAWW CP Program. The CP dealers will continue to sell and resell the CP notes for the proposed LAWW CP Program as they possess significant experience in selling notes and the ability to underwrite unsold notes if necessary. The CAO may release a RFP at a later date to select new and/or additional dealers, as such the form of a new CP Dealer Agreement is attached to this report for Council approval, to be executed at a later date. The recommended Issuing and Paying agent for the LAWW CP Program is US Bank.

4. Financing Team

The financing team is comprised of Montague DeRose and Associates, LLC as municipal advisor and Hawkins, Delafield & Wood, LLP as note counsel, previously approved by the Mayor and the City Council (C.F. 19-0355 and C.F. 12-0917).

5. Required Documents

To proceed with this transaction, the Mayor and the City Council will need to adopt the following documents:

A. Amended and Restated First Supplemental Resolution

The Amended and Restated First Supplemental Resolution (Attachment A) supplements and amends the Wastewater System Subordinate Revenue Bonds General Resolution and certain Supplemental Resolutions thereto previously adopted by the City Council on March 26, 1991. It also amends and restates the Original First Supplemental Resolution to eliminate the need to amend the definitions or other terms of the Original First Supplemental Resolution to conform to the mechanical provisions relating to Advances under the Credit Agreements or to conform to the repayment terms of the Credit Agreements and the Bank Notes by Supplemental Resolution in connection with each substitution or extension. It also consolidates all of the amendments contained in the Previous CP Supplemental Resolutions.

B. Authorizing Resolution

The Authorizing Resolution (Attachment B) authorizes the issuance of up to \$400 million in commercial paper notes, and incorporates the following LAWW CP Program Documents for approval as to form and authorizes the Authorized City Representative (which is defined in the Amended and Restated First Supplemental Resolution to include the Mayor, the City Treasurer, the City Clerk, and the City Administrative Officer or any Assistant City Administrative Officer, as applicable) without further action from this City Council, to make future changes to the LAWW CP Program Documents, including to execute and deliver new documents, supplements, or amendments to the LAWW CP Program Documents as any Authorized City Representative shall deem necessary and desirable or otherwise approve as being in the best interest of the City, and as approved as to form by the City Attorney, which are necessary to consummate the transactions contemplated by the Authorizing Resolution, and otherwise to carry out, give effect to and comply with the terms and intent the Authorizing Resolution. Any such documents shall be substantially in the forms of the equivalent documents executed and delivered by the Authorized City Representative pursuant to the Authorizing Resolution or pursuant to the prior authorizations from this City Council:

- Second Amended and Restated Reimbursement Agreement with Barclays/Letter of Credit Agreement (Barclays) – An agreement between the City and Barclays, which provides for the terms and conditions of the letter of credit (Attachment C);
- Amended and Restated Reimbursement Agreement with TD Bank/Letter of Credit Agreement (TD Bank) - An agreement between the City and TD Bank, which provides for the terms and conditions of the letter of credit (Attachment D);
- Second Amended and Restated Fee Letter for Barclays – An agreement between the City and Barclays, which provides for the fees associated with the letter of credit (Attachment E);
- Amended and Restated Fee Letter for TD Bank – An agreement between the City and TD Bank, which provides for the fees associated with the letter of credit (Attachment F);

- Offering Memorandum – A document prepared on behalf of the City in connection with the primary offering of the commercial paper notes that discloses material information related to the offering of commercial paper notes and the Banks (Attachment G);
- Second Amended and Restated Issuing and Paying Agent Agreement – An agreement between the City and US Bank, as Issuing and Paying Agent, which contains provisions for the issuance of the commercial paper notes and the payment of the commercial papers notes by the Issuing and Paying Agent to noteholders and the Banks (Attachment H); and,
- Form of the Commercial Paper Dealer Agreement – An agreement between the City and the Commercial Paper Dealers where the Commercial Paper Dealers sell and resell the commercial paper notes (Attachment I).

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Attachments

Attachment A – Amended and Restated First Supplemental Resolution

Attachment B – Authorizing Resolution

Attachment C – Second Amended and Restated Reimbursement/Letter of Credit Agreement with Barclays

Attachment D – Amended and Restated Reimbursement Agreement/Letter of Credit Agreement with TD Bank

Attachment E – Second Amended and Restated Fee Letter for Barclays

Attachment F – Amended and Restated Fee Letter for TD Bank

Attachment G – Offering Memorandum

Attachment H – Second Amended and Restated Issuing and Paying Agent Agreement

Attachment I – Form of the Commercial Paper Dealer Agreement

ATTACHMENT A

THE CITY COUNCIL OF THE CITY OF LOS ANGELES

AMENDED AND RESTATED FIRST SUPPLEMENTAL RESOLUTION

**Adopted by the City Council of the City on
October __, 2021**

and

**SUPPLEMENTING AND AMENDING THE
WASTEWATER SYSTEM SUBORDINATE REVENUE BONDS
GENERAL RESOLUTION**

and certain

SUPPLEMENTAL RESOLUTIONS thereto

**Previously Adopted by the City Council of the City on
March 26, 1991**

and

**AMENDING AND RESTATING THE
WASTEWATER SYSTEM SUBORDINATE REVENUE BONDS
FIRST SUPPLEMENTAL RESOLUTION**

Which Was

**Adopted by the City Council of the City on
March 26, 1991**

\$400,000,000

Maximum Aggregate Authorized Amount

City of Los Angeles

Wastewater System

Commercial Paper Revenue Notes

AMENDED AND RESTATED FIRST SUPPLEMENTAL RESOLUTION

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AMENDED AND RESTATED FIRST SUPPLEMENTAL RESOLUTION

Providing for

\$400,000,000

Maximum Aggregate Authorized Amount

City of Los Angeles

Wastewater System

Commercial Paper Revenue Notes

WHEREAS, the City Council (the "Council") of the City of Los Angeles (the "City") by resolution submitted to the voters of the City and such voters have authorized the issuance of an aggregate amount of \$3,500,000,000 of indebtedness pursuant to the procedures set forth in the Revenue Bond Law of 1941, Government Code Sections 54300 *et seq.* to finance a portion of a major wastewater system improvement program; and

WHEREAS, pursuant to the Charter of the City and Article 6.7 of Chapter 1 of Division 11 of the Administrative Code of the City (the "Procedural Ordinance"), the City has established a procedure pursuant to which the City may issue bonds and notes without further voter authorization; and

WHEREAS, the Council determined that it was appropriate and beneficial to the City to issue a portion of the authorized indebtedness in the form of Subordinate Bonds (defined below), including commercial paper notes, and in connection therewith on March 26, 1991, the Council adopted a resolution entitled the "WASTEWATER SYSTEM SUBORDINATE REVENUE BONDS GENERAL RESOLUTION" (as more particularly defined herein, the "Subordinate General Resolution") which sets forth the basic terms under which the City may issue Subordinate Bonds; and

WHEREAS, the Subordinate General Resolution provides for a subordinate pledge of Revenues (as defined in the Subordinate General Resolution) to secure all Subordinate Bonds issued thereunder; and

WHEREAS, the Subordinate General Resolution provides that each Series of Subordinate Bonds issued thereunder shall be authorized by, and the terms thereof set forth in, a Supplemental Resolution; and

WHEREAS, the Council further determined that it was appropriate and beneficial to the City to issue a portion of the Subordinate Bonds in the form of commercial paper notes, and in connection therewith on March 26, 1991, the Council also adopted a resolution entitled the "FIRST SUPPLEMENTAL RESOLUTION SUPPLEMENTING THE WASTEWATER SYSTEM SUBORDINATE REVENUE BONDS GENERAL RESOLUTION" (as more particularly defined herein, the "Original First Supplemental Resolution") to, among other actions, authorize the issuance of such Subordinate Bonds in the form of commercial paper notes which were designated therein as the "Commercial Paper Notes" (as more particularly defined herein, the "Commercial Paper Notes") in the maximum aggregate principal amount outstanding from time to time of \$130,000,000; and

WHEREAS, to provide a source of liquidity for the Commercial Paper Note Program (as defined herein), the City has and will continue to, pursuant to the general laws of the State of California and; in particular, the provisions of Section 5922 of the California Government Code, maintain one or more Credit Facilities (as defined herein) to support the Commercial Paper Notes issued by the Banks (as defined herein) pursuant to the Credit Agreements (as defined herein), together with the related Bank Notes (as defined herein) and the related Fee Letters (as defined herein); and

WHEREAS, on August 13, 1996, the Council adopted a resolution entitled “SECOND SUPPLEMENTAL RESOLUTION SUPPLEMENTING AND AMENDING THE WASTEWATER SYSTEM SUBORDINATE REVENUE BONDS GENERAL RESOLUTION AND THE FIRST SUPPLEMENTAL RESOLUTION” (the “Second Supplemental Resolution”) pursuant to which the Council, among other actions, increased the maximum authorized aggregate principal amount of Commercial Paper Notes to \$200,000,000; and

WHEREAS, on September 3, 1997, the Council adopted a resolution entitled “THIRD SUPPLEMENTAL RESOLUTION SUPPLEMENTING AND AMENDING THE WASTEWATER SYSTEM SUBORDINATE REVENUE BONDS GENERAL RESOLUTION AND THE FIRST SUPPLEMENTAL RESOLUTION AND THE WASTEWATER SYSTEM SECOND SUPPLEMENTAL RESOLUTION” (the “Third Supplemental Resolution”) to, among other actions, increase the maximum authorized amount of such Commercial Paper Notes from \$200,000,000 to \$400,000,000; and

WHEREAS, on August 15, 2000, the Council adopted a resolution entitled “FOURTH SUPPLEMENTAL RESOLUTION SUPPLEMENTING AND AMENDING THE WASTEWATER SYSTEM SUBORDINATE REVENUE BONDS GENERAL RESOLUTION AND CERTAIN SUPPLEMENTAL RESOLUTIONS THERETO PREVIOUSLY ADOPTED BY THE COUNCIL OF THE CITY” (the “Fourth Supplemental Resolution”) to, among other actions, substitute for the letter of credit then in place for the Commercial Paper Notes a new line of credit agreement as the source of liquidity with respect to the Commercial Paper Notes and to make certain other modifications to the then existing Supplemental Resolutions which added to the covenants and agreements of the City in such Supplemental Resolutions and which do not adversely affect the interests of the Bondholders; and

WHEREAS, on January 21, 2003, the Council adopted a resolution entitled “SIXTH SUPPLEMENTAL RESOLUTION SUPPLEMENTING AND AMENDING THE WASTEWATER SUBORDINATE REVENUE BONDS GENERAL RESOLUTION AND CERTAIN SUPPLEMENTAL RESOLUTIONS THERETO PREVIOUSLY ADOPTED BY THE COUNCIL OF THE CITY” (the “Sixth Supplemental Resolution”) to, among other actions, substitute a new line of credit agreement for the line of credit agreement then in place with respect to the Commercial Paper Notes; and

WHEREAS, on June 25, 2010, the Council adopted a resolution entitled “ELEVENTH SUPPLEMENTAL RESOLUTION SUPPLEMENTING AND AMENDING THE WASTEWATER SYSTEM SUBORDINATE REVENUE BONDS GENERAL RESOLUTION AND CERTAIN SUPPLEMENTAL RESOLUTIONS THERETO PREVIOUSLY ADOPTED BY THE COUNCIL OF THE CITY” (the “Eleventh Supplemental Resolution”) to, among other

actions, substitute a new line of credit agreement for the credit agreement then in place with respect to the Commercial Paper Notes; and

WHEREAS, on December 11, 2012, the Council adopted a resolution, as subsequently amended and restated on May 7, 2013 by adoption of a resolution entitled “AMENDED AND RESTATED FIFTEENTH SUPPLEMENTAL RESOLUTION SUPPLEMENTING AND AMENDING THE WASTEWATER SYSTEM SUBORDINATE REVENUE BONDS GENERAL RESOLUTION AND CERTAIN SUPPLEMENTAL RESOLUTIONS THERETO PREVIOUSLY ADOPTED BY THE COUNCIL OF THE CITY” (the “Amended and Restated Fifteenth Supplemental Resolution”) to, among other actions, substitute for the credit agreement then in place with respect to the Commercial Paper Notes (a) an irrevocable transferable direct pay letter of credit (the “2012 BNYM Letter of Credit”) issued by The Bank of New York Mellon, including the related reimbursement agreement and related fee letter and (b) an irrevocable transferable direct pay letter of credit (the “2012 SMBC Letter of Credit”) issued by Sumitomo Mitsui Banking Corporation, acting through its New York Branch (“SMBC”), including the related reimbursement agreement and related fee letter; and

WHEREAS, on November 25, 2015, the Council adopted a resolution entitled “EIGHTEENTH SUPPLEMENTAL RESOLUTION SUPPLEMENTING AND AMENDING THE WASTEWATER SYSTEM SUBORDINATE REVENUE BONDS GENERAL RESOLUTION AND CERTAIN SUPPLEMENTAL RESOLUTIONS THERETO PREVIOUSLY ADOPTED BY THE COUNCIL OF THE CITY” (the “Eighteenth Supplemental Resolution”) to, among other actions, (i) substitute for the 2012 BNYM Letter of Credit then in place with respect to the Commercial Paper Notes an irrevocable transferable direct pay letter of credit, dated December 17, 2015 (the “2015 Barclays Letter of Credit”), issued by Barclays Bank PLC (“Barclays”), and in connection therewith authorize the execution and delivery of the Reimbursement Agreement, dated as of December 1, 2015, and the related Fee Letter, dated December 17, 2015, each by and between the City and Barclays, and (b) substitute for the 2012 SMBC Letter of Credit then in place with respect to the Commercial Paper Notes an irrevocable transferable direct pay letter of credit, dated December 17, 2015 (the “2015 SMBC Letter of Credit”), issued by SMBC and in connection therewith authorize the execution and delivery of the Reimbursement Agreement, dated as of December 1, 2012, and the related Fee Letter, dated December 18, 2012, each by and between the City and SMBC; (ii) authorize the execution and delivery of an amended and restated issuing and paying agent agreement, dated as of December 1, 2015, with U.S. Bank National Association (the “Issuing and Paying Agent”); and

WHEREAS, on December 11, 2015, the Council adopted a resolution entitled “TWENTIETH SUPPLEMENTAL RESOLUTION SUPPLEMENTING AND AMENDING THE WASTEWATER SYSTEM SUBORDINATE REVENUE BONDS GENERAL RESOLUTION AND CERTAIN SUPPLEMENTAL RESOLUTIONS THERETO PREVIOUSLY ADOPTED BY THE COUNCIL OF THE CITY” (the “Twentieth Supplemental Resolution”) to, among other things, amend Section 8.02(b) and certain definitions of the Original First Supplemental Resolution in connection with the replacement and extension of the Credit Facilities approved in the Eighteenth Supplemental Resolution; and

WHEREAS, on October 16, 2018, the Council adopted a resolution entitled “TWENTY-THIRD SUPPLEMENTAL RESOLUTION SUPPLEMENTING AND AMENDING THE

WASTEWATER SYSTEM SUBORDINATE REVENUE BONDS GENERAL RESOLUTION AND CERTAIN SUPPLEMENTAL RESOLUTIONS THERETO PREVIOUSLY ADOPTED BY THE COUNCIL OF THE CITY” (the “Twenty-Third Supplemental Resolution” and together with the Original First Supplemental Resolution, the Second Supplemental Resolution, the Third Supplemental Resolution, the Fourth Supplemental Resolution, the Sixth Supplemental Resolution, the Eleventh Supplemental Resolution, the Amended and Restated Fifteenth Supplemental Resolution, the Eighteenth Supplemental Resolution and the Twentieth Supplemental Resolution, the “Previous CP Supplemental Resolutions”) to, among other actions, (i) extend the 2015 Barclays Letter of Credit and in connection therewith authorize the execution and delivery of an Amended and Restated Reimbursement Agreement, dated as of October 1, 2018, and the related Fee Letter, dated October 23, 2018, each by and between the City and Barclays, and (b) substitute for the 2015 SMBC Letter of Credit then in place with respect to the Commercial Paper Notes an irrevocable transferable direct pay letter of credit (the “2018 TD Letter of Credit”) issued by The Toronto-Dominion Bank, New York Branch (“TD”), and in connection therewith authorize the execution and delivery of a Reimbursement Agreement, dated as of October 1, 2018, and the related Fee Letter, dated October 23, 2018, each by and between the City and TD; (ii) authorize the execution and delivery of an amended and restated issuing and paying agent agreement, dated as of October 1, 2018, with U.S. Bank National Association (the “Issuing and Paying Agent”) and to amend certain definitions of the Original First Supplemental Resolution in connection with the replacement and extension of the Credit Facilities approved in the Twentieth Supplemental Resolution; and

WHEREAS, on the date hereof, the Council is also adopting a resolution entitled “RESOLUTION OF THE COUNCIL OF THE CITY OF LOS ANGELES, CALIFORNIA APPROVING AND AUTHORIZING THE EXECUTION OF CERTAIN LEGAL DOCUMENTS IN CONNECTION WITH THE EXPANSION OF THE WASTEWATER SYSTEM COMMERCIAL PAPER REVENUE NOTE PROGRAM ESTABLISHED TO PROVIDE FOR THE ISSUANCE OF COMMERCIAL PAPER NOTES TO FINANCE A PORTION OF A MAJOR WASTEWATER SYSTEM IMPROVEMENT PROGRAM AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO” to, among other things, (i) extend and increase the 2015 Barclays Letter of Credit and in connection therewith authorize the execution and delivery of a Second Amended and Restated Reimbursement Agreement, and the related Second Amended and Restated Fee Letter, each by and between the City and Barclays, and (b) extend and increase the 2018 TD Letter of Credit and in connection therewith authorize the execution and delivery of an Amended and Restated Reimbursement Agreement, and the related Amended and Restated Fee Letter, each by and between the City and TD; and (ii) authorize the execution and delivery of a Second Amended and Restated Issuing and Paying Agent Agreement with the Issuing and Paying Agent; and

WHEREAS, to facilitate the extension and increase of the 2015 Barclays Letter of Credit and the extension and increase of the 2018 TD Letter of Credit and to facilitate any new Credit Facilities (as defined herein) or any substitutions or extensions thereof in the future as and to the extent authorized by resolution of the Council from time to time, the City now desires to amend and restate the Original First Supplemental Resolution to eliminate the need to amend the definitions or other terms of the Original First Supplemental Resolution to conform to the mechanical provisions relating to Advances under the Credit Agreements or to conform to the repayment terms of the Credit Agreements and the Bank Notes by Supplemental Resolution in

connection with each such substitution or extension, and to otherwise consolidate all of the amendments contained in the Previous CP Supplemental Resolutions; and

WHEREAS, it is recognized and agreed that the Council has previously adopted that Wastewater System Revenue Bonds General Resolution adopted November 10, 1987 (as more particularly defined herein, the "Senior Lien Resolution") and has pledged the Revenues of the System (as defined therein) to secure its wastewater system revenue bonds heretofore or hereafter issued under the Senior Lien Resolution, and the Commercial Paper Notes and other obligations issued as part of the Commercial Paper Note Program authorized by this First Supplemental Resolution shall be subordinate to the wastewater system revenue bonds issued under the Senior Lien Resolution; and

WHEREAS, Section 11.03(b) of the Subordinate General Resolution permits the City to from time to time and at any time adopt a Supplemental Resolution which amends the provisions of an earlier Supplemental Resolution under which a Series or multiple Series of Subordinate Bonds were issued and if such Supplemental Resolution contains provisions which affect the rights and interests of less than all Series of Subordinate Bonds Outstanding and Section 11.02 of the Subordinate General Resolution is not applicable, then Section 11.03(b) of the Subordinate General Resolution shall control and, subject to the terms and provisions contained in Section 11.03 of the Subordinate General Resolution, the holders of not less than 51% in aggregate principal amount of the Subordinate Bonds of all series which are directly affected by such changes and all Insurers of Subordinate Bonds of such Series which are directly affected shall have the right from time to time to consent to and approve the adoption of any Supplemental Resolution deemed necessary or desirable by the City for the purposes of modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in such Supplemental Resolution and affecting only the Subordinate Bonds of such series; provided, however, that, unless approved in writing by the holders of all the Subordinate Bonds which would be affected by such change, nothing herein contained shall permit, or be construed as permitting, (i) a change in the times, amounts or currency of payment of the principal of or interest on any Outstanding Subordinate Bonds of such Series or (ii) a reduction in the principal amount or redemption price of any Outstanding Subordinate Bonds of such Series or the rate of interest thereon; and

WHEREAS, purchasers of Commercial Paper Notes issued on and after the date of distribution of an offering memorandum or offering memoranda describing the provisions of this First Supplemental Resolution are deemed to have granted their consent to and approved the provisions of this First Supplemental Resolution in accordance with Section 11.03(b) of the Subordinate General Resolution; and

WHEREAS, this First Supplemental Resolution will become effective on the date on which the City receives the consents and approvals from the holders of not less than 51% in aggregate principal amount of the Subordinate Bonds of all series which are directly affected by such changes and on which the other requirements contained in Article XI of the Subordinate General Resolution have been satisfied; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Los Angeles, as follows:

ARTICLE I

AUTHORIZATION AND SECURITY

Section 1.01. General Resolution; Special Obligations. The Commercial Paper Notes and the City's obligations to repay Advances together with interest thereon under the Credit Agreements represented by the Bank Notes are Subordinate Bonds issued under the terms of the Subordinate General Resolution and secured by and entitled to the security and the rights granted by the Subordinate General Resolution. The Commercial Paper Notes and the Bank Notes (collectively, the "Notes") shall be subordinate to the Senior Lien Bonds as provided in the Subordinate General Resolution and shall be on a parity with all other Subordinate Bonds issued under the Subordinate General Resolution.

The Commercial Paper Notes and the City's obligations to repay Advances and to pay interest thereon in accordance with the terms of the Credit Agreements shall be and are special, limited obligations of the City and the City shall be obligated to pay the principal of and interest on the Notes solely from the Revenues and from amounts in the SCM Fund, the CP Debt Service Fund established with the Issuing and Paying Agent in accordance with the terms of this First Supplemental Resolution and the CP Construction Funds into which proceeds of New Issue Commercial Paper Notes are deposited; provided that the payment of the principal of and interest on the Notes from the Revenues and from amounts in the SCM Fund shall be subordinate to the City's obligations to make payments on the Senior Lien Bonds and to make deposits required by the Senior Lien Resolution. The general fund of the City is not liable for the payment of the principal of, interest on or premium, if any, on the Notes. Neither the full faith and credit nor the taxing power of the City is pledged to pay the Notes. The principal of and interest on the Notes 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 Revenues and amounts in the CP Debt Service Fund and CP Construction Funds.

To secure the payment of the Commercial Paper Notes and the repayment of all Advances and the interest due thereon as provided in the Credit Agreements and represented by the Bank Notes, the City hereby pledges to the Holders of the Commercial Paper Notes and to the Banks, places a lien upon and assigns to the Holders of the Commercial Paper Notes and to the Banks, the proceeds of the issue of subsequent Commercial Paper Notes, the proceeds of Advances, all moneys and securities held in the CP Debt Service Fund and the CP Construction Funds. All amounts in the CP Debt Service Fund which have been segregated for the payment of Notes which have become due and payable but have not been presented for payment shall be held in trust solely as security for such specific Notes and shall be used to pay only such Notes and shall not be pledged as security for or be available to pay other Notes or to pay the Banks.

Section 1.02. Authorization. The Commercial Paper Notes are hereby declared to be issued under the terms of the Revenue Bond Law, the Charter and the Procedural Ordinance and secured as provided in the Revenue Bond Law, the Procedural Ordinance and the Subordinate General Resolution. The Commercial Paper Notes may recite that they are issued pursuant to the Revenue Bond Law and/or the Charter and the Procedural Ordinance. The Credit Facilities and/or Credit Agreements and the Bank Notes are entered into to achieve a more favorable interest rate on the Commercial Paper Notes and to make the Commercial Paper Notes more marketable. The

Credit Agreements and the Bank Notes are entered into under the authorization provided in Section 5922 of the California Government Code issued in support of but not as bonds under the Revenue Bond Law and/or the Charter and the Procedural Ordinance.

ARTICLE II

DEFINITIONS; INTERPRETATION

Section 2.01. Definitions. The following definitions shall apply to terms used in this First Supplemental Resolution unless the context clearly requires otherwise:

“Advances” means with respect to a Series of Commercial Paper Notes, payments made by the Related Bank under the applicable Credit Facility to provide funds for the timely payment of the principal of and/or interest on such Series of Commercial Paper Notes.

“Authenticating Agent” as used in this First Supplemental Resolution with respect to the Commercial Paper Notes means the Issuing and Paying Agent.

“Authorized Denominations” means denominations of \$100,000 and integral multiples of \$1,000 in excess thereof.

“Authorized City Representative” means any of the Mayor, the Treasurer, the City Clerk, and the City Administrative Officer or any Assistant City Administrative Officer.

“Bank” or “Related Bank” or “Banks” means, individually or collectively, as applicable: (i) with respect to the Tax-Exempt Series A-1 Commercial Paper Notes and the Taxable Series B-1 Commercial Paper Notes, Barclays Bank PLC, or its successors and assigns, or upon delivery of a Substitute Credit Facility with respect to the Tax-Exempt Series A-1 Commercial Paper Notes and the Taxable Series B-1 Commercial Paper Notes, any Substitute Bank issuing a Substitute Credit Facility with respect to the Tax-Exempt Series A-1 Commercial Paper Notes and the Taxable Series B-1 Commercial Paper Notes; (ii) with respect to the Tax-Exempt Series A-2 Commercial Paper Notes and the Taxable Series B-2 Commercial Paper Notes, The Toronto-Dominion Bank, New York Branch, or its successors and assigns, or upon delivery of a Substitute Credit Facility with respect to the Tax-Exempt Series A-2 Commercial Paper Notes and the Taxable Series B-2 Commercial Paper Notes, any Substitute Bank issuing a Substitute Credit Facility with respect to the Tax-Exempt Series A-2 Commercial Paper Notes and the Taxable Series B-2 Commercial Paper Notes; and (iii) with respect to any other Series of Commercial Paper Notes, a provider or providers of a Credit Facility with respect to such Series of Commercial Paper Notes, or its successors and assigns, or upon delivery of a Substitute Credit Facility with respect to such Series of Commercial Paper Notes, any Substitute Bank issuing a Substitute Credit Facility with respect to such Series of Commercial Paper Notes. “Related Bank” means the Bank whose Credit Facility is to support the payment of specific Series or subseries of Commercial Paper Notes.

“Bank Note” or “related Bank Note” or “Bank Notes” means, individually or collectively, as applicable, with respect to a Series of Commercial Paper Notes, the City’s promissory note or notes payable to the order of the Related Bank for such Series of Commercial Paper Notes in evidence of all Reimbursement Obligations due and owing to the Related Bank, and any and all modifications, amendments and supplements thereto and restatements thereof.

“Bank Noticed Termination Date” shall have the meaning set forth in the Issuing and Paying Agent Agreement.

“Bank Noticed Termination Notice” shall have the meaning set forth in the Issuing and Paying Agent Agreement.

“Business Day,” as used in this First Supplemental Resolution, means any day other than (i) a Saturday, Sunday or (ii) a day on which banks in the States of New York or California are required or authorized by law or executive order to be closed, (iii) a day on which the presentation office of the Related Bank for drawings under the related Credit Facility is required or authorized by law or executive order to be closed or (iv) a day on which the New York Stock Exchange is closed.

“Charter” shall mean the Charter of the City of Los Angeles as from time to time amended under which the City is organized and operates.

“Commercial Paper Notes” means the commercial paper notes authorized by this First Supplemental Resolution. The aggregate Outstanding principal amount of the Commercial Paper Notes shall not exceed \$400,000,000.

“Commercial Paper Note Program” means the commercial paper note program authorized by this First Supplemental Resolution.

“Commitment” or “applicable Commitment” or “Commitments” means, individually or collectively, as applicable, with respect to a Series of Commercial Paper Notes, the stated maximum amount made available by the Related Bank under the Credit Facility to pay the principal of and interest on such Series of Commercial Paper Notes.

“CP Construction Funds” means the fund or funds created by the City and into which proceeds of New Issue Commercial Paper Notes are deposited upon receipt from the Issuing and Paying Agent as provided in Article V of this First Supplemental Resolution.

“CP Debt Service Fund” means the Wastewater System Commercial Paper Revenue Notes Debt Service Fund described in Article IV of this First Supplemental Resolution and which shall contain therein a CP Interest Account, a CP Principal Account and a CP Matured Notes Account.

“Costs of Issuance” means all costs and expenses incurred by the City in connection with the issuance of the Commercial Paper Notes, including, but not limited to, costs and expenses of printing and copying documents and the Commercial Paper Notes, fees and expenses of the Banks, the fees and expenses of the Dealers, the costs and expenses of providing insurance, the fees, costs and expenses of rating agencies, counsel, accountants, engineers, financial advisors, insurance consultants and other consultants and agents, including the initial fees and expenses, of the Issuing and Paying Agent and, to the extent not paid from the proceeds of other obligations issued by the City, costs of the City related to the elections authorizing the issuance of the Commercial Paper Notes.

“Credit Agreement” or “applicable Credit Agreement” or “Credit Agreements” means, individually and collectively, as applicable: (i) with respect to the Tax-Exempt Series A-1

Commercial Paper Notes and the Taxable Series B-1 Commercial Paper Notes, the Second Amended and Restated Reimbursement Agreement, dated as of October 15, 2021, by and between the City and Barclays Bank PLC, together with any related Fee Letter, and any and all modifications, amendments and supplements thereto and restatements thereof, and upon the issuance of any Substitute Credit Facility with respect to the Tax-Exempt Series A-1 Commercial Paper Notes and the Taxable Series B-1 Commercial Paper Notes, the Substitute Credit Agreement by and between the City and the provider or providers of such Substitute Credit Facility with respect to the Tax-Exempt Series A-1 Commercial Paper Notes and the Taxable Series B-1 Commercial Paper Notes; (ii) with respect to the Tax-Exempt Series A-2 Commercial Paper Notes and the Taxable Series B-2 Commercial Paper Notes, the Amended and Restated Reimbursement Agreement, dated as of October 15, 2021, by and between the City and The Toronto-Dominion Bank, New York Branch, together with any related Fee Letter, and any and all modifications, amendments and supplements thereto and restatements thereof, and upon the issuance of any Substitute Credit Facility with respect to the Tax-Exempt Series A-2 Commercial Paper Notes and the Taxable Series B-2 Commercial Paper Notes, the Substitute Credit Agreement by and between the City and the provider or providers of such Substitute Credit Facility with respect to the Tax-Exempt Series A-2 Commercial Paper Notes and the Taxable Series B-2 Commercial Paper Notes; and (iii) with respect to any other Series of Commercial Paper Notes, the reimbursement agreement, by and between the City and the provider or providers of a Credit Facility with respect to such Series of Commercial Paper Notes, together with any related Fee Letter, and any and all modifications, amendments and supplements thereto and restatements thereof, and upon the issuance of any Substitute Credit Facility with respect to such Series of Commercial Paper Notes, the Substitute Credit Agreement by and between the City and the provider or providers of such Substitute Credit Facility with respect to such Series of Commercial Paper Notes.

“Credit Facility,” “related Credit Facility” or “applicable Credit Facility” or “Credit Facilities” means, individually and collectively, as applicable: (i) with respect to the Tax-Exempt Series A-1 Commercial Paper Notes and the Taxable Series B-1 Commercial Paper Notes, the irrevocable direct-pay letter of credit issued by Barclays Bank PLC, including any and all modifications, amendments and supplements thereto and restatements thereof, and upon the issuance of any Substitute Credit Facility with respect to the Tax-Exempt Series A-1 Commercial Paper Notes and the Taxable Series B-1 Commercial Paper Notes, such Substitute Credit Facility; (ii) with respect to the Tax-Exempt Series A-2 Commercial Paper Notes and the Taxable Series B-2 Commercial Paper Notes, the irrevocable direct-pay letter of credit issued by The Toronto-Dominion Bank, New York Branch, including any and all modifications, amendments and supplements thereto and restatements thereof, and upon the issuance of any Substitute Credit Facility with respect to the Tax-Exempt Series A-2 Commercial Paper Notes and the Taxable Series B-2 Commercial Paper Notes, such Substitute Credit Facility; and (iii) with respect to any other Series of Commercial Paper Notes, an irrevocable direct-pay letter of credit, a line or lines of credit, a noncancellable insurance policy or other credit facility provided by a provider or providers to facilitate the timely payment of the principal of and interest on such Series of Commercial Paper Notes, including any and all modifications, amendments and supplements thereto and restatements thereof, and upon the issuance of any Substitute Credit Facility with respect to such Series of Commercial Paper Notes, such Substitute Credit Facility.

“Dealer” or “Dealers” means, individually and collectively, as applicable, Barclays Capital Inc. and Citigroup Global Markets Inc., or their respective successors and assigns, and any co-

dealer appointed by the City in its discretion, or any substitute, successor, alternate or additional dealer or co-dealer appointed by the City in its discretion with respect to the Commercial Paper Notes.

“Dealer Agreement” or “Dealer Agreements” means, individually and collectively, as applicable, with respect to each Dealer, the dealer agreement entered into by and between the City and such Dealer, and any and all modifications, amendments and supplements thereto, and any dealer agreement with a substitute, successor, alternate or additional dealer or co-dealer appointed by the City in its discretion with respect to the Commercial Paper Notes.

“Designated Representative” means the individuals holding the positions listed in Article VII of this First Supplemental Resolution or designated by certificate of an Authorized City Representative and authorized to complete and deliver Issuance Requests to the Issuing and Paying Agent either directly or through the action of the Dealer or Dealers and which individuals have been identified in a certificate of an Authorized City Representative delivered to the Issuing and Paying Agent and the Dealers and whose signatures have likewise been certified to the Issuing and Paying Agent and the Dealers.

“Fee Letter” means, individually and collectively, as applicable: (i) with respect to the Tax-Exempt Series A-1 Commercial Paper Notes and the Taxable Series B-1 Commercial Paper Notes, the Second Amended and Restated Fee Letter, dated October 15, 2021, by and between the City and Barclays Bank PLC, and any and all modifications, amendments and supplements thereto and restatements thereof, or any other fee letter executed from time to time in connection with a Substitute Credit Facility with respect to the Tax-Exempt Series A-1 Commercial Paper Notes and the Taxable Series B-1 Commercial Paper Notes; (ii) with respect to the Tax-Exempt Series A-2 Commercial Paper Notes and the Taxable Series B-2 Commercial Paper Notes, the Amended and Restated Fee Letter, dated October 15, 2021, by and between the City and The Toronto-Dominion Bank, New York Branch, and any and all modifications, amendments and supplements thereto and restatements thereof, or any other fee letter executed from time to time in connection with a Substitute Credit Facility with respect to the Tax-Exempt Series A-2 Commercial Paper Notes and the Taxable Series B-2 Commercial Paper Notes; and (iii) with respect to any other Series of Commercial Paper Notes, the fee letter, by and between the City and the provider or providers of a Credit Facility with respect to such Series of Commercial Paper Notes, together with any related Fee Letter, and any and all modifications, amendments and supplements thereto and restatements thereof, or any other fee letter executed from time to time in connection with a Substitute Credit Facility with respect to such Series of Commercial Paper Notes.

“Final Drawing Notice” shall have the meaning set forth in the Issuing and Paying Agent Agreement.

“Initial Commercial Paper Notes” means the Commercial Paper Notes authorized by the City pursuant to the Original First Supplemental Resolution, which are also deemed the “Initial Series of Subordinate Bonds” defined as such under the Subordinate General Resolution.

“Issuance Request” means a request made by or on behalf of the City, acting through a Designated Representative or the Dealers, to the Issuing and Paying Agent for the authentication

and delivery of a Commercial Paper Note or Commercial Paper Notes. Issuance Requests may be in such form of communication as is acceptable to the Issuing and Paying Agent.

“Issuing and Paying Agent” means U.S. Bank National Association or any successor or assigns permitted under the Amended and Restated Issuing and Paying Agent Agreement, or any other Issuing and Paying Agent which is appointed by the City and has entered into an Issuing and Paying Agent Agreement.

“Issuing and Paying Agent Agreement” means that certain Second Amended and Restated Issuing and Paying Agent Agreement, dated as of October 1, 2021, by and between the City and the Issuing and Paying Agent, and as subsequently amended, restated and supplemented.

“Maximum Authorized Principal Amount” or “applicable Maximum Authorized Principal Amount” means (i) with respect to the Tax-Exempt Series A-1 Commercial Paper Notes and the Taxable Series B-1 Commercial Paper Notes, shall be such amount set forth in the Issuing and Paying Agent Agreement as the Maximum Authorized Principal Amount for such Series of Commercial Paper Notes, which principal amount of such Series of Commercial Paper Notes plus interest thereon calculated at the maximum rate of ten percent (10%) per annum for a period of 120 days and based upon a year of 360 days, is fully supported by the related Credit Facility; (ii) with respect to the Tax-Exempt Series A-2 Commercial Paper Notes and the Taxable Series B-2 Commercial Paper Notes, shall be such amount set forth in the Issuing and Paying Agent Agreement as the Maximum Authorized Principal Amount for such Series of Commercial Paper Notes, which principal amount of such Series of Commercial Paper Notes plus interest thereon calculated at the maximum rate of ten percent (10%) per annum for a period of 120 days and based upon a year of 360 days, is fully supported by the related Credit Facility; and (iii) with respect to any other Series of Commercial Paper Notes, shall be such amount set forth in the Issuing and Paying Agent Agreement as the Maximum Authorized Principal Amount for such Series of Commercial Paper Notes, which principal amount of such Series of Commercial Paper Notes plus interest thereon calculated at the maximum rate of ten percent (10%) per annum for a period of 120 days and based upon a year of 360 days, is fully supported by the related Credit Facility; provided, however, that the aggregate amount of Maximum Authorized Principal Amounts for all Series of Commercial Paper Notes, or the “Total Maximum Authorized Principal Amount” shall be such amount set forth in the Issuing and Paying Agent Agreement as the Total Maximum Authorized Principal Amount but in no event shall such amount exceed \$400,000,000.

“New Issue Commercial Paper Notes” means Commercial Paper Notes the proceeds of which are to be used to pay Project Costs (including Costs of Issuance) and not to pay the maturing principal of other Commercial Paper Notes and not to pay Bank Notes.

“Notes” means Commercial Paper Notes and Bank Notes.

“Opinion of Bond Counsel” means a written opinion of Bond Counsel.

“Original First Supplemental Resolution” means that First Supplemental Resolution adopted by the Council on March 26, 1991 and supplementing the Subordinate Resolution to provide for the issuance of a portion of the Subordinate Bonds in the form of commercial paper notes, as amended and supplemented through the date hereof.

“Other Obligations” shall have the meaning set forth in Section 3.02 of this First Supplemental Resolution.

“Procedural Ordinance” shall have the meaning set forth in the recitals hereto.

“Rating Agency” shall have the meaning set forth in the Subordinate General Resolution.

“Reimbursement Obligations” means, with respect to a Series of Commercial Paper Notes, any and all obligations of the City to reimburse the Related Bank for any drawings under the related Credit Facility and all obligations to repay the Related Bank for any Advance, including in each instance all interest accrued thereon, under the applicable Credit Agreement.

“Revised Bank Noticed Termination Date” shall have the meaning set forth in the Issuing and Paying Agent Agreement.

“Revised Bank Noticed Termination Notice” shall have the meaning set forth in the Issuing and Paying Agent Agreement.

“Second Lien Obligations” shall have the meaning set forth in Section 3.02 of this First Supplemental Resolution.

“Series” means any series or subseries of Commercial Paper Notes.

“Series A Commercial Paper Notes” means the City of Los Angeles Wastewater System Commercial Paper Revenue Notes Tax-Exempt Series A.

“Series B Commercial Paper Notes” means the City of Los Angeles Wastewater System Commercial Paper Revenue Notes Taxable Series B.

“Stop Issuance Instruction” shall have the meaning set forth in the Issuing and Paying Agent Agreement.

“Subordinate General Resolution” means that Wastewater System Subordinate Revenue Bonds General Resolution adopted by the Council on March 26, 1991 and setting forth the terms under which subordinate wastewater system revenue bonds of the City may be issued and secured, as amended and supplemented through the date hereof and as it may be further amended and supplemented from time to time.

“Substitute Bank” means with respect to one or more Series of Commercial Paper Notes, a provider or providers of an applicable Substitute Credit Facility, and its successors and assigns.

“Substitute Credit Agreement” means with respect to one or more Series of Commercial Paper Notes, an irrevocable letter of credit, a line or lines of credit, a noncancellable insurance policy or other credit facility provided by a Substitute Bank to facilitate the timely payment of the principal of and interest on such Series of Commercial Paper Notes in accordance with the provisions of Section 8.02 hereof, and any and all modifications, amendments, restatements and supplements thereto, together with the reimbursement agreement executed from time to time in connection with a Substitute Credit Facility with respect to such Series of Commercial Paper

Notes, together with any related Fee Letter, and any and all modifications, amendments and supplements thereto.

“Substitute Credit Facility” means with respect to one or more Series of Commercial Paper Notes, an irrevocable letter of credit, a line or lines of credit, a noncancellable insurance policy or other credit facility provided by a Substitute Bank to facilitate the timely payment of the principal of and interest on such Series of Commercial Paper Notes in accordance with the provisions of Section 8.02 hereof, and any and all modifications, amendments, restatements and supplements thereto.

“Tax Certificate” means that Tax Regulatory Certificate relating to federal tax matters executed on behalf of the City in connection with the issuance of Tax-Exempt Notes from time to time, as it may be amended and supplemented from time to time.

“Tax-Exempt Notes” means (i) the Tax-Exempt Series A-1 Commercial Paper Notes, (ii) the Tax-Exempt Series A-2 Commercial Paper Notes and (iii) any other Series of Commercial Paper Notes designated at the time of issuance to bear interest at a tax-exempt rate.

“Tax-Exempt Series A-1 Commercial Paper Notes” means the City of Los Angeles Wastewater System Commercial Paper Revenue Notes Tax-Exempt Series A-1.

“Tax-Exempt Series A-2 Commercial Paper Notes” the City of Los Angeles Wastewater System Commercial Paper Revenue Notes Tax-Exempt Series A-2.

“Taxable Notes” means (i) the Taxable Series B-1 Commercial Paper Notes, (ii) the Taxable Series B-2 Commercial Paper Notes and (iii) any other Series of Commercial Paper Notes designated at the time of issuance to bear interest at a taxable rate.

“Taxable Series B-1 Commercial Paper Notes” means the City of Los Angeles Wastewater System Commercial Paper Revenue Notes Taxable Series B-1.

“Taxable Series B-2 Commercial Paper Notes” means the City of Los Angeles Wastewater System Commercial Paper Revenue Notes Taxable Series B-2.

“Termination Date” or “applicable Termination Date” means with respect to a Series of Commercial Paper Notes, the stated expiration or termination date of the applicable Credit Facility.

Section 2.02. Incorporation of Definitions Contained in the Subordinate General Resolution. Except as otherwise provided in Section 2.01 of this First Supplemental Resolution, all words, terms and phrases defined in the Subordinate General Resolution shall have the same meanings in this First Supplemental Resolution as in the Subordinate General Resolution.

Section 2.03. Article and Section References. Except as otherwise indicated, references to Articles and Sections are to Articles and Sections of this First Supplemental Resolution.

ARTICLE III

THE COMMERCIAL PAPER NOTES AND BANK NOTES

Section 3.01. Designation of the Notes; Principal Amount. This Council hereby deems it necessary to incur the bonded indebtedness in order to finance the Project Costs and to pay Costs of Issuance. The Council hereby authorizes the issuance of the City of Los Angeles Wastewater System Commercial Paper Revenue Notes, subject to the provisions of this Article III and as hereinafter provided. The Commercial Paper Notes may be issued from time to time as New Issue Commercial Paper Notes the proceeds of which will be used, as provided herein, to finance the Project Costs and to pay Costs of Issuance, and Commercial Paper Notes not issued as New Issue Commercial Paper Notes may be issued from time to time for the purpose of refinancing Commercial Paper Notes then maturing or to make principal payments on the Bank Notes. Such authorization specifically includes the authorization to issue and reissue Commercial Paper Notes for such purposes. The aggregate principal amount of Commercial Paper Notes of a Series Outstanding at any time and interest payable upon maturity thereof shall not at any time exceed the Commitment then available under the related Credit Facility with respect to such Series of Commercial Paper Notes. The aggregate principal amount of all Commercial Paper Notes Outstanding at any time plus interest payable upon maturity thereof shall not exceed the total aggregate amount of the Commitments then available under the Credit Facilities.

The aggregate principal amount of Commercial Paper Notes of a Series Outstanding at any time shall not exceed the Maximum Authorized Principal Amount with respect to such Series of Commercial Paper Notes less the aggregate principal amount of any Advances then outstanding under the related Bank Note. The aggregate principal amount of all Commercial Paper Notes Outstanding at any one time hereunder shall not exceed the Total Maximum Authorized Principal Amount less the aggregate principal amount of any Advances then outstanding under the Bank Notes.

To the extent any Commercial Paper Notes are issued and the proceeds used to pay maturing principal of Commercial Paper Notes or to reduce the principal amount of or retire Bank Notes, the Commercial Paper Notes issued for such purpose shall be and are hereby determined to be refunding bonds within the meaning of the Revenue Bond Law and the Procedural Ordinance. Such Commercial Paper Notes for refunding purposes shall be and are hereby authorized to be issued on the terms set forth in this First Supplemental Resolution and shall be issued at such times as funds are needed to pay maturing Commercial Paper Notes or at any time that any Bank Notes are outstanding.

Section 3.02. Commercial Paper Notes Are Subordinate Bonds Under the Subordinate General Resolution; Security. The Commercial Paper Notes are issued under, secured by and subject to the terms of the Subordinate General Resolution and are secured on a subordinate basis, as provided in the Subordinate General Resolution, by the Revenues in accordance with the terms of the Subordinate General Resolution. The Commercial Paper Notes are special obligations of the City payable only from the Revenues, the SCM Fund, the CP Debt Service Fund, the CP Construction Funds, Advances under the Credit Facilities and the proceeds of Commercial Paper Notes and not from the general fund of the City, and the City is not obligated to pay the Commercial Paper Notes from any other source.

The Commercial Paper Notes, the Reimbursement Obligations and City's obligations to pay the Bank Notes together with interest thereon under the respective Credit Agreements are hereby designated as "Subordinate Bonds" issued under the terms of the Subordinate General Resolution and are secured by and entitled to the security and the rights granted by the Subordinate General Resolution. The Commercial Paper Notes will be issued in one or more Series, each Series in the Maximum Principal Amount, and a particular Series may be issued bearing interest at tax-exempt and/or taxable rates. The Commercial Paper Notes of each Series may be further designated by subseries as directed by the City.

The City's obligation to pay principal of and interest on the Commercial Paper Notes, to pay the Reimbursement Obligations and to pay each Bank Note and to pay interest thereon in accordance with the terms of the respective Credit Agreement (collectively, the "Second Lien Obligations") shall be and are special obligations of the City and the City shall be obligated to pay the Second Lien Obligations solely from the Revenues and from amounts in the SCM Fund, the CP Debt Service Fund and the CP Construction Funds into which the Revenues and proceeds of the Commercial Paper Notes are deposited; provided that the payment of the Second Lien Obligations from the Revenues and from amounts in the SCM Fund shall be subordinate to the payment of the Senior Lien Bonds, and shall be on a parity with the City's obligations with respect to any Subordinate Bonds that are outstanding from time to time. THE GENERAL FUND OF THE CITY IS NOT LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, INTEREST ON OR PREMIUM, IF ANY, ON THE SECOND LIEN OBLIGATIONS. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY IS PLEDGED TO PAY THE SECOND LIEN OBLIGATIONS.

In addition to the lien granted to secure Subordinate Bonds under the Subordinate General Resolution (and referred to in Section 3.11 of this First Supplemental Resolution), to secure the payment of the Second Lien Obligations, the City hereby pledges to the Holders of the Commercial Paper Notes and to the Banks, and places a first lien upon and assigns to the Holders of the Commercial Paper Notes and to the Banks, the proceeds of the issue of subsequent Commercial Paper Notes, the proceeds of drawings under the related Credit Facility, and all moneys and securities held in the CP Debt Service Fund and the CP Construction Funds. All amounts in the CP Debt Service Fund which have become due and payable but have not been presented for payment shall be held in trust solely as security for such specific Second Lien Obligations and shall be used to pay only such Second Lien Obligations and shall not be pledged as security for or be available to pay other obligations.

Obligations under the respective Credit Agreements and the Fee Letters other than Second Lien Obligations (collectively, the "Other Obligations") shall be and are special, limited obligations of the City and shall be subordinated obligations pursuant to Section 6.06 of the Subordinate General Resolution payable solely from Revenues on a basis junior and subordinate to the Subordinate Bonds as to the lien on and source and security for payment from the Revenues. To secure the payment of all Other Obligations, the City hereby pledges and places a third lien upon the Revenues as defined in the Subordinate General Resolution and the Revenues held in the SCM Fund including the earnings on such Revenues, subject to the provisions of the General Resolution, the Subordinate General Resolution and this First Supplemental Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein and subject to the prior pledge and, assignment and lien thereon granted by the General Resolution to

secure the Senior Lien Bonds and the prior subordinate pledge and assignment thereof and lien thereon granted by the Subordinate General Resolution to secure the Subordinate Bonds. Nothing in this First Supplemental Resolution shall be deemed to limit the ability of the City to create additional liens on and pledges of the Revenues on a parity with the pledge of and lien on such Revenues granted hereby to secure the Other Obligations, provided that the terms and conditions of the General Resolution, the Subordinate General Resolution and this First Supplemental Resolution are met.

Such Other Obligations shall be paid as and when due from the SCM Fund subject to and in accordance with Section 5.03 and Section 6.06 of the Subordinate General Resolution. The City shall create and maintain or cause the Issuing and Paying Agent to create and maintain funds and accounts for the purpose of making payments on Other Obligations and other payments; provided the Revenues may be used to fund such funds and accounts only if the conditions for the use of excess amounts in the SCM Fund are met as provided in Section 5.03 of the Subordinate General Resolution. Subject to the foregoing, Revenues shall be deposited in and used and withdrawn from such funds and accounts as set forth in this First Supplemental Resolution and the respective Credit Agreements, with respect to such payments on Other Obligations.

The City further acknowledges that all Other Obligations shall constitute payments described under Section 6.03(a)(3) of the Subordinate General Resolution.

The City agrees that with respect to any money obligations included in Other Obligations, for purposes of calculating compliance with Section 3.11 of the Subordinate General Resolution, such obligations will be treated as interest coming due in the year in which such obligations are first payable.

Section 3.03. Terms of the Commercial Paper Notes; Signature. The Commercial Paper Notes shall be dated the date of their respective authentication and issuance; shall be issued in bearer form or registered to bearer; shall be issued in minimum denominations of \$100,000 and \$1,000 increments in excess thereof; and interest on the Commercial Paper Notes shall be separately stated by rate and amount on the face of each Commercial Paper Note. Commercial Paper Notes of a subseries shall bear interest from their respective dates, at either the applicable tax-exempt or taxable rates, payable on their respective maturity dates.

Commercial Paper Notes (i) shall bear interest payable at maturity at an annual rate not in excess of 10% per annum (calculated, with respect to Commercial Paper Notes bearing interest at tax-exempt rates, on the basis of a year consisting of 365 or 366 days and actual number of days elapsed and, with respect to Commercial Paper Notes bearing interest at taxable rates, on the basis of a year consisting of 360 days and actual number of days elapsed) or such lesser rate permitted by the Revenue Bond Law or the Procedural Ordinance at the time of issuance of the respective Commercial Paper Note, (ii) (1) shall mature not more than 270 days after their respective dates, but in no event later than five (5) days prior to the Termination Date of the related Credit Facility, and (2) shall comply in all respects with the limitations set forth in Section 7(b)(ii) of the Issuing and Paying Agent Agreement relating to any Stop Issuance Instruction, Final Drawing Notice, Bank Noticed Termination Date, Bank Noticed Termination Notice, Revised Bank Noticed Termination Date or Revised Bank Noticed Termination Notice, if any, and (iii) shall be sold at a price of not less than 100% of the principal amount thereof. The stated interest rate, maturity date

and other terms of each Commercial Paper Note, so long as not inconsistent with the terms of this First Supplemental Resolution, shall be as set forth in the Issuance Request required by Section 3.08 hereof directing the issuance of such Commercial Paper Note.

The Commercial Paper Notes shall not be subject to redemption prior to maturity, and the Commercial Paper Notes shall not be subject to acceleration.

The Commercial Paper Notes shall be issued in a maximum aggregate principal amount not exceeding the Total Maximum Authorized Principal Amount, initially consisting of two series designated as "Tax-Exempt Series A" (the "Series A Commercial Paper Notes") and "Taxable Series B" (the "Series B Commercial Paper Notes" and each a "Series" of Commercial Paper Notes) and such other Series as the City may designate from time to time. The Series A Commercial Paper Notes shall be further designated by subseries as "Tax-Exempt Series A-1" and "Tax-Exempt Series A-2"; and the Series B Commercial Paper Notes shall be further designated by subseries as "Taxable Series B-1" and "Taxable Series B-2." The Tax-Exempt Series A-1 Commercial Paper Notes and the Taxable Series B-1 Commercial Paper Notes shall be issued in a maximum aggregate principal amount not exceeding the Maximum Authorized Principal Amount for such Series of Commercial Paper Notes set forth in the Issuing and Paying Agent Agreement. The Tax-Exempt Series A-2 Commercial Paper Notes and the Taxable Series B-2 Commercial Paper Notes shall be issued in a maximum aggregate principal amount not exceeding the Maximum Authorized Principal Amount for such Series of Commercial Paper Notes set forth in the Issuing and Paying Agent Agreement. The Commercial Paper Notes of any other Series designated from time to time by the City shall be issued in a maximum aggregate principal amount not exceeding the Maximum Authorized Principal Amount for such Series of Commercial Paper Notes set forth in the Issuing and Paying Agent Agreement.

The Commercial Paper Notes shall be numbered consecutively from No. 1 upward, provided that, the Issuing and Paying Agent may make additional provision for numbering, including additional prefixes and suffixes, as it may deem appropriate.

The Commercial Paper Notes shall constitute Subordinate Bonds within the meaning of the Subordinate General Resolution and the Commercial Paper Notes together with the Credit Agreements and the Bank Notes issued in connection therewith shall constitute a single Commercial Paper Note Program within the meaning of the Subordinate General Resolution.

Section 3.04. Payment. The principal of and the interest on the Commercial Paper Notes shall be paid in federal or other immediately available funds in such coin or currency of the United States of America as, at the respective times of payment, is legal tender for the payment of public and private debts. The principal of and the interest on the Commercial Paper Notes shall be payable at the office of the Issuing and Paying Agent at the address provided in the Issuing and Paying Agent Agreement on or before the close of business on any Business Day upon which such Commercial Paper Notes have become due and payable provided that such Commercial Paper Notes are presented and surrendered on a timely basis. Upon presentation of such a Commercial Paper Note to the Issuing and Paying Agent no later than 3:00 p.m. (New York City time) on a Business Day, payment for such Commercial Paper Note shall be made by the Issuing and Paying Agent in immediately available funds on such Business Day to the extent of moneys which have been provided to the Issuing and Paying Agent for that purpose. If a Commercial Paper Note is

presented for payment after 3:00 p.m. (New York City time) on a Business Day, payment therefor shall be made by the Issuing and Paying Agent on the next succeeding Business Day without the accrual of additional interest thereon.

Section 3.05. Execution of Commercial Paper Notes. Each of the Commercial Paper Notes shall be signed by the Mayor, the Treasurer, the City Clerk or the City Administrative Officer, any one or more of them and each Commercial Paper Note shall be countersigned on behalf of the City by a representative of the Issuing and Paying Agent. Any such signature may be by facsimile, except that the signature of the Issuing and Paying Agent shall be by manual autograph. The signature of the Issuing and Paying Agent described in this Section 3.05 may be the same as the manual signature affixed to the Commercial Paper Notes by the Issuing and Paying Agent as Authenticating Agent.

It shall not be necessary that the same officer sign all of the Commercial Paper Notes that may be issued hereunder at any one time or from time to time.

Section 3.06. Authentication of Commercial Paper Notes. The Issuing and Paying Agent is, by this First Supplemental Resolution, designated by the City as an authenticating agent for the Commercial Paper Notes and shall authenticate and deliver Commercial Paper Notes in accordance with the terms of Section 3.07 hereof.

Section 3.07. Forms of Commercial Paper Notes and Authentication Certificate. The definitive Commercial Paper Notes and the Certificate of Authentication endorsed thereon shall be substantially in the form set forth in Section 3.12 of this First Supplemental Resolution with such appropriate variations, omissions and insertions as the officer executing such Commercial Paper Notes shall deem appropriate in order to accomplish the purpose of the transaction authorized by the Subordinate General Resolution and this First Supplemental Resolution, the execution thereof to be conclusive evidence of such approval; provided, however, that such changes shall be within the scope of the transactions authorized by the Subordinate General Resolution and this First Supplemental Resolution.

Section 3.08. Delivery of Commercial Paper Notes. Subject to the provisions of Section 3.01 hereof, at any time and from time to time, Commercial Paper Notes shall be manually countersigned, authenticated and delivered by the Issuing and Paying Agent as provided in Sections 3.05 and 3.06 of this First Supplemental Resolution and in the Issuing and Paying Agent Agreement and upon the direction of the City provided in the form of an Issuance Request whether such Issuance Request is delivered directly by the City or through the City's Dealer.

Section 3.09. Term of Program; Extension of Program. The term of the Commercial Paper Note Program is for an unlimited period provided that no Commercial Paper Note may mature later than the day which is five (5) days prior to the Termination Date of the related Credit Facility. No Supplemental Resolution extending the program shall be effective until there has been delivered to the City an Opinion of Bond Counsel to the effect that (i) the Supplemental Resolution has been duly adopted by the Council and constitutes the valid and binding obligation of the City and (ii) Commercial Paper Notes issued after such extension will be validly issued and such opinion shall describe the tax treatment of the interest on the Commercial Paper Notes after such extension.

Section 3.10. Bearer Notes. The City and the Issuing and Paying Agent may deem and treat the bearer of any Commercial Paper Note as the absolute owner thereof (whether or not such Note shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuing and Paying Agent), for the purpose of receiving payment thereof or on account thereof and for all other purposes, and neither the City nor the Issuing and Paying Agent shall be affected by any notice to the contrary.

Section 3.11. Obligations Under the Credit Agreements. In connection with the issuance of the Commercial Paper Notes, the Council shall authorize and provide for a Credit Facility for each Series of the Commercial Paper Notes. The City's obligations to repay Advances made under each Credit Facility and to pay interest thereon shall be represented by the related Bank Note. The City shall in connection with the delivery of each Credit Facility execute and the Treasurer shall authenticate and deliver to the applicable Bank a Bank Note in substantially the form attached to the applicable Credit Agreement and which shall be a Bank Note under the terms of this First Supplemental Resolution and secured as provided in this First Supplemental Resolution. Each such Bank Note shall be delivered to and registered by the City in the name of the applicable Bank. The Council hereby determines that the payment, interest rate, currency, security, default, remedy and other terms and conditions of each Credit Agreement and the repayment of Reimbursement Obligations and the related Bank Note and interest thereon shall be as set forth in such Credit Agreement and such related Bank Note.

The principal of and the interest on the Bank Notes shall be paid in federal or other immediately available funds in such coin or currency of the United States of America as, at the respective time of payment, is legal tender for the payment of public and private debts. The principal of the Bank Notes, to the extent not paid from proceeds of Commercial Paper Notes or another source of payment otherwise available therefor under the Issuing and Paying Agent Agreement, shall be payable from the CP Debt Service Fund held by the Issuing and Paying Agent in accordance with the terms of the Issuing and Paying Agent Agreement. Interest on the Bank Notes and principal not paid from the proceeds of Commercial Paper Notes or another source of payment otherwise available therefor under the Issuing and Paying Agent Agreement shall be paid to the Banks by the City from the SCM Fund, subject to the restrictions upon the use of such fund as set forth in the Subordinate General Resolution. The final payment of the principal of each Bank Note shall be made only upon presentation of such Bank Note to the Treasurer or as otherwise provided in the Issuing and Paying Agent Agreement.

Each Bank Note shall be deemed to be paid only when payment has been made to the Related Bank and the provisions of Article VIII of the Subordinate General Resolution relating to defeasance prior to actual payment shall not apply to the Bank Notes.

The City's obligations to repay Reimbursement Obligations and the Bank Notes and to pay interest thereon as set forth in the respective Credit Agreement are issued under, secured by and subject to the terms of the Subordinate General Resolution and are secured on a basis subordinate to the Senior Lien Bonds and on a parity with all Outstanding Subordinate Bonds, as provided in the Subordinate General Resolution. The City's obligations to pay the Reimbursement Obligations and the Bank Notes and to pay interest thereon as set forth in the respective Credit Agreement are special obligations of the City payable only from the Revenues, the SCM Fund, the CP Debt Service Fund, the CP Construction Funds and the proceeds of the Commercial Paper Notes and

not from the general fund of the City and the City is not obligated to repay Advances or any Bank Notes nor the interest thereon from any other source. The Second Lien Obligations shall be paid as and when due from the SCM Fund for purposes of, subject to and in accordance with Section 5.03 and Section 6.06 of the Subordinate General Resolution, and from the other funds and accounts described above. The City shall create and maintain or cause the Issuing and Paying Agent to create and maintain funds and accounts for the purpose of making payments on the Second Lien Obligations as and when due under the respective Credit Agreements; the Revenues and other funds shall be deposited in and used and withdrawn from such funds and accounts as set forth in this First Supplemental Resolution, the Issuing and Paying Agent Agreement and in the respective Credit Agreements with respect to such payments on Second Lien Obligations.

Each Credit Agreement and each Bank Note shall be signed by the Mayor, the Treasurer, the City Clerk or the City Administrative Officer, any one or more of them, and each Bank Note shall be authenticated by the Treasurer.

Section 3.12. Form of Commercial Paper Notes. The Commercial Paper Notes shall be substantially in the following form:

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
CITY OF LOS ANGELES
WASTEWATER SYSTEM
COMMERCIAL PAPER REVENUE NOTE

No.

Date of Issue:

Number of Days:

Maturity Date:

Interest Amount:

Interest Rate:

THIS NOTE IS A SPECIAL, LIMITED OBLIGATION OF THE CITY OF LOS ANGELES. THE PRINCIPAL HEREOF AND INTEREST HEREON ARE PAYABLE SOLELY FROM CERTAIN WASTEWATER SYSTEM REVENUES AND OTHER AMOUNTS ON DEPOSIT IN CERTAIN SPECIAL LIMITED FUNDS AS DESCRIBED HEREIN. THE CITY IS NOT OBLIGATED TO MAKE PAYMENT HEREON FROM ANY OTHER SOURCE. THIS NOTE IS NOT PAYABLE FROM THE GENERAL FUND OF THE CITY AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY IS PLEDGED TO THE PAYMENT OF ANY AMOUNTS DUE ON THIS NOTE.

The City of Los Angeles, a municipal corporation and a political subdivision of the State of California, organized and operating under the terms of the Charter of the City of Los Angeles and the Constitution of the State of California, promises to pay, from the sources described in this Note and not from any other sources, to the bearer hereof, the principal amount set forth above on the Maturity Date set forth above, and to pay interest on the Maturity Date at the rate set forth above.

The City is obligated to make payment on this Note only from the Revenues of the City's wastewater system as such term is defined and limited in the Wastewater System Subordinate Revenue Bonds General Resolution adopted by the City Council of the City on March 26, 1991 and as supplemented and amended from time to time (collectively, the "Subordinate General Resolution"), amounts in the City's SCM Fund (as defined in the Subordinate General Resolution) subject to the restrictions set forth in the Subordinate General Resolution, amounts in the CP Debt Service Fund and in the CP Construction Funds (as such funds are defined in the Amended and Restated First Supplemental Resolution supplementing the Subordinate General Resolution), proceeds of other notes issued to refinance this Note and advances made by the Related Bank under the applicable Credit Facility.

The City has previously issued its senior lien Wastewater System Revenue Bonds and plans to issue additional senior lien Wastewater System Bonds under the terms of its Wastewater System Revenue Bonds General Resolution adopted by the City Council November 10, 1987 and as supplemented and amended from time to time (collectively, the "Senior Lien Resolution").

This Note is junior and subordinate to all obligations issued under and secured by the Senior Lien Resolution as to lien on and source and security for payment from the Revenues. No payments on this Note will be permitted from the SCM Fund unless all payments and deposits required to be made under the Senior Lien Resolution have been made, all operating and maintenance expenses of the system have been paid and a 45-day operating and maintenance reserve is retained in the SCM Fund.

This Note is authorized, issued and secured under the terms of that Wastewater System Subordinate Revenue Bonds General Resolution adopted by the City Council of the City on March 26, 1991 and the terms of that Amended and Restated First Supplemental Resolution Supplementing the Wastewater System Subordinate Revenue Bonds General Resolution, adopted by the City Council on October 8, 2021. This Note is issued pursuant to the Revenue Bond Law of 1941 and has been authorized by votes of the electors of the City of Los Angeles at elections held June 2, 1987 and November 8, 1988 and by the Charter of the City and Article 6.7 of Chapter 1 of Division 11 of the Administrative Code of the City.

Dated:

[Name of Issuing and Paying Agent], as
countersignatory duly authorized to sign this
Commercial Paper Note and as duly
authorized ISSUING AND PAYING
AGENT, signs on behalf of the City and
certifies that this is one of the Commercial
Paper Notes referred to in the Subordinate
General Resolution and Amended and
Restated First Supplemental Resolution
referred to herein.

CITY OF LOS ANGELES

By _____

By _____

Section 3.13. Book-Entry-Only Commercial Paper Notes. The City may at any time convert this Commercial Paper Note Program from a certificated program using publicly available Commercial Paper Notes to a book-entry-only system in which Commercial Paper Notes in limited quantities are delivered to a securities depository and immobilized and all payments are made to the depository for distribution to beneficial owners of the Commercial Paper Notes. If this program is converted to a book-entry-only system, such conversion will not apply to any Commercial Paper Notes held by Holders other than the depository. The conversion therefore may occur in stages as necessary to convert Commercial Paper Notes as they mature. If this program is converted to a book-entry-only system, the Authorized City Representatives, any one or more thereof are authorized to enter into such agreement or agreements with the depository and/or Issuing and Paying Agent as shall be needed to implement the program. References in this First Supplemental Resolution with respect to payment methods and delivery of Commercial Paper Notes shall be disregarded to the extent they conflict with the terms of the City's agreement under the depository agreement. Notwithstanding any other provisions in the Subordinate General Resolution and this First Supplemental Resolution, the following shall apply with respect to the payment, transfer and provision of notices with respect to any Commercial Paper Notes that are in Book-entry Form:

(a) Each maturity of the Commercial Paper Notes in Book-entry Form will be issued as a single Commercial Paper Note or Notes in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, which will act as the initial Securities Depository. During the term of the Commercial Paper Notes, ownership and subsequent transfer of ownership will be reflected by book entry on the records of the Securities Depository and those financial institutions for whom the Securities depository effects book-entry transfer's (collectively, the "Participants"). No person for whom a Participant has an interest in the Commercial Paper Notes (a "Beneficial Owner") shall receive Commercial Paper Note certificates representing their respective interest in the Commercial Paper Notes except in the event that the Securities Depository or the City shall determine, at its option, to terminate the book-entry system described in this Section. Payment of principal of, and interest on, the Commercial Paper Notes will be made by the Issuing and Paying Agent to the Securities Depository which will in turn remit such principal and interest to the Beneficial Owners of the Commercial Paper Notes until and unless the Securities Depository or the City elects to terminate the book-entry system upon notice to the Securities Depository, whereupon the Securities Depository shall advise the Participants of the availability of certificates and the Registrar shall deliver certificates to the Beneficial Owners of the Commercial Paper Notes or their nominees.

(b) The Securities Depository, or its nominee, will be the sole owner of the Commercial Paper Notes, and no investor or other party purchasing, selling or otherwise transferring ownership of any Commercial Paper Notes will receive, hold or deliver any certificates as long as the Securities Depository holds the Commercial Paper Notes immobilized from circulation.

(c) So long as the Commercial Paper Notes are in Book-entry Form, the certificate representing the Commercial Paper Notes may not be transferred or exchanged except:

(i) To any successor of the Securities Depository (or its nominee) or any substitute depository ("Substitute Depository") designated pursuant to (ii) below, provided that any successor of the Securities Depository or any Substitute Depository must be a

qualified and registered “clearing agency” as provided in Section 17A of the Securities Act of 1934, as amended;

(ii) To a Substitute Depository designated by or acceptable to the City upon (a) the determination by the Securities Depository that the Commercial Paper Notes shall no longer be eligible for depository services or (b) a determination by the City that the Securities Depository is no longer able to carry out its functions, provided that any such Substitute Depository must be qualified to act as such, as provided in subparagraph (i) above; or

(iii) To those persons to whom transfer is requested in written transfer instructions in the event that:

(A) The Securities Depository shall resign or discontinue its services for the Commercial Paper Notes and only if the City is unable to locate a qualified successor within two months following the resignation or determination of noneligibility, or

(B) Upon a determination by the City that the continuation of the book-entry system described herein, which precludes the issuance of certificates to any Holder other than the Securities Depository (or its nominee), is no longer in the best interest of the beneficial owners of the Commercial Paper Notes

(d) The Depository Trust Company, New York (“DTC”), is hereby appointed the initial Securities Depository for the Commercial Paper Notes while they are in Book-entry Form, provided that the City may terminate DTC upon written notice in accordance with the terms of the Representation Letter and appoint a successor Securities Depository.

ARTICLE IV

CP DEBT SERVICE FUND; NO RESERVE FUND

Section 4.01. CP Debt Service Fund. There is hereby authorized to be created with the Issuing and Paying Agent and held under the terms of the Issuing and Paying Agent Agreement a fund designated as the City of Los Angeles Wastewater System Commercial Paper Revenue Notes Debt Service Fund (the “CP Debt Service Fund”) which shall be the Debt Service Fund as provided in the Subordinate General Resolution for the Series of Subordinate Bonds constituted by the Commercial Paper Notes and Bank Notes. The City shall, on or before each day on which a Commercial Paper Note matures and on or before each day on which the principal of or interest on any Reimbursement Obligation is due and payable, as applicable, withdraw and transfer to the Issuing and Paying Agent from amounts in the SCM Fund, to the extent the conditions to withdrawal of funds from the SCM Fund have been met, (i) an amount sufficient to pay the principal of and interest due on such date on all maturing Commercial Paper Notes, and/or (ii) any other amount necessary to pay the principal of and/or interest due on such date on such Reimbursement Obligation under the terms of the related Credit Agreement and the related Bank Note and for which another source of payment is not otherwise available therefor under the Issuing and Paying Agent Agreement, as applicable. Notwithstanding the foregoing, the City shall not be

required to withdraw and transfer from amounts in the SCM Fund an amount equal to the principal of all maturing Commercial Paper Notes for which one of the following sources of payment is otherwise available: (x) the proceeds of the issuance of Commercial Paper Notes, (y) an Advance made by the Related Bank or (z) the proceeds of another borrowing. Such payments by the City to the Issuing and Paying Agent shall be made in immediately available funds or in funds which will be available when needed to make payment of the principal of and interest on the Commercial Paper Notes or the principal of and interest on Reimbursement Obligations, as applicable. Moneys shall be transferred to the Issuing and Paying Agent and deposited by the Issuing and Paying Agent in accordance with the terms of the Issuing and Paying Agent Agreement and at such times as the City and the Issuing and Paying Agent shall agree. The CP Debt Service Fund shall be invested in such investments as the City is permitted to invest its funds and may be invested in money market funds which are invested in or secured by United States Treasury obligations whether or not any such money market fund otherwise is a permitted investment of City funds and any such investment is hereby determined to be a Permitted Investment.

Section 4.02. No Reserve Fund. It is hereby provided that no Reserve Fund shall be established for the Commercial Paper Note Program or the Notes.

ARTICLE V

THE CP CONSTRUCTION FUND

The City has by ordinance created two separate funds within the City Treasury designated as the Wastewater System Commercial Paper Revenue Notes A Construction Fund (the “A” CP Construction Fund”) and the Wastewater System Commercial Paper Revenue Notes B Construction Fund (the “B” CP Construction Funds”) (the “A” CP Construction Fund and the “B” CP Construction Fund are herein collectively, the “CP Construction Fund”), and the City shall, on each date of issuance of New Issue Commercial Paper Notes, deposit proceeds of the New Issue Commercial Paper Notes, as received from the Issuing and Paying Agent, into the “A” CP Construction Fund if such proceeds are from Tax-Exempt Notes or, into the “B” CP Construction Fund if such proceeds are from Taxable Notes. Earnings on the “A” CP Construction Fund shall be credited to that fund, and earnings on the “B” CP Construction Fund shall be credited to that fund. Amounts in the CP Construction Funds shall be used to pay Costs of Issuance and to pay Project Costs related to the System in accordance with the City’s wastewater system improvement program or to reimburse the City for amounts expended from other sources for such purposes provided that amounts in the CP Construction Funds shall not be used for systems, plants, works or undertakings for the distribution of electric energy for lighting, heating and power for public or private uses or the generation, production, transmission and distribution of gas for public or private uses. These restrictions placed upon the use of amounts in the CP Construction Funds shall not apply to systems, plants, works or undertakings which result in conversion of solid waste to energy and reusable materials. Amounts in the CP Construction Funds shall be used to pay principal of and interest on the Tax-Exempt Notes or the Taxable Notes, as applicable, and the Bank Notes if other funds are not available to make such payments.

The City may use amounts in the CP Construction Funds to pay Costs of Issuance and to pay Project Costs by payment directly from the CP Construction Funds.

ARTICLE VI

ISSUING AND PAYING AGENT; DEALERS; OFFERING MEMORANDUM

Section 6.01. Issuing and Paying Agent. The City hereby appoints U.S. Bank National Association, New York, New York, as the initial Issuing and Paying Agent. The Issuing and Paying Agent is hereby designated as the Paying Agent and Authenticating Agent for the Commercial Paper Notes and as a Paying Agent for the Bank Notes. The Issuing and Paying Agent shall perform such duties and only such duties as are specifically set forth herein and in the Issuing and Paying Agent Agreement and exercise such of the rights and powers vested in it herein and therein. The City may remove the Issuing and Paying Agent at any time and the Issuing and Paying Agent may at any time resign in accordance with the provisions of the Issuing and Paying Agent Agreement. The City may appoint a successor Issuing and Paying Agent at any time in accordance with the provisions of the Issuing and Paying Agent Agreement. The City shall maintain an Issuing and Paying Agent for the Commercial Paper Note Program at all times.

Section 6.02. Dealers. The City hereby appoints, as Dealers, Barclays Capital Inc. and Citigroup Global Markets Inc., and has entered into a Dealer Agreement with each of the Dealers. Each Dealer shall perform such duties and only such duties as are specifically set forth herein and in the applicable Dealer Agreement. The City may remove any Dealer at any time and any Dealer may at any time resign in accordance with the provisions of the applicable Dealer Agreement. The City may appoint new or successor Dealers at any time.

Section 6.03. Offering Memorandum. The City shall cooperate with the Dealers in the preparation from time to time of an offering memorandum or offering memoranda relating to the Commercial Paper Notes or amendments or supplements to any such offering memorandum or offering memoranda in accordance with the Dealer Agreements.

ARTICLE VII

DESIGNATED REPRESENTATIVES

The City hereby appoints the City Administrative Officer and any Assistant City Administrative Officer to serve as Designated Representatives of the City under the terms of this First Supplemental Resolution. In addition, from time to time, other City officers or employees may be designated as Designated Representatives by written certificate executed by an Authorized City Representative and delivered to the Issuing and Paying Agent and to the Dealers. The Designated Representatives are, and each of them is, hereby authorized and are hereby directed to perform those duties set forth in this First Supplemental Resolution and the Issuing and Paying Agent Agreement including, without limitation, the execution of Issuance Requests setting forth the specific terms of the Commercial Paper Notes or the authorization of the Dealers or a Dealer to present the Issuance Requests. The Designated Representatives are and each of them is authorized to make representations, certificates and warranties concerning the Commercial Paper Notes and in connection with the issuance of Commercial Paper Notes as and when required by this First Supplemental Resolution and the Issuing and Paying Agent Agreement relating to the federal tax exemption. Execution and delivery of each Issuance Request by a Designated

Representative directly or through a Dealer, which Issuance Request contains the maturities, the principal amounts, the interest rates, the amounts of interest and the dates for each Commercial Paper Note being issued at such time, within the parameters set forth in this First Supplemental Resolution, shall constitute conclusive evidence of the Council's approval of such maturities, principal amounts, rates, amounts of interest and dates. Likewise, the delivery of the above information to the Issuing and Paying Agent by a Dealer and approval of such information by the Dealer at the direction of a Designated Representative shall constitute conclusive evidence of the Council's approval of such maturities, principal amounts, rates, amounts of interest and dates. Such direction may be given by the Designated Representative with respect to any Commercial Paper Note or as a general direction with respect to ongoing issuances of Commercial Paper Notes.

ARTICLE VIII

CREDIT FACILITIES AND CREDIT AGREEMENTS

Section 8.01. Credit Facilities; Credit Agreements. The Council hereby determines that the marketability of the Commercial Paper Notes will be enhanced if the City provides assurance to the purchasers of the Commercial Paper Notes that the City has ready access to sufficient funds to pay maturing Commercial Paper Notes and, therefore, it is appropriate for the City to maintain one or more Credit Facilities and/or Credit Agreements in support of each Series of Commercial Paper Notes. A Credit Facility or Credit Agreement may support more than one Series of Commercial Paper Notes, but not more than one Credit Facility or Credit Agreement shall support any one Series of Commercial Paper Notes. The Commercial Paper Note Program shall be supported by such Credit Facilities and/or Credit Agreements as and to the extent authorized by resolution of the Council from time to time. The Council hereby determines that the payment, interest rate, currency, security, default, remedy and other terms and conditions of the credit and/or liquidity arrangements and the repayment of Advances and interest thereon shall be as set forth in the applicable Credit Agreements and Bank Notes, subject to any limitations set forth in this First Supplemental Resolution.

Section 8.02. Substitute Banks. Notwithstanding anything herein to the contrary, the City may obtain a Substitute Credit Facility with a Substitute Bank to replace a Credit Facility then in effect with respect to a Series of Commercial Paper Notes so long as said Substitute Credit Facility shall go into effect at least one Business Day prior to the Termination Date of such Credit Facility then in effect with respect to such Series of Commercial Paper Notes, and the Termination Date with respect to such Substitute Credit Facility shall be no earlier than the later of (i) six (6) months after its date or (ii) the Termination Date set forth in such Credit Facility then in effect with respect to such Series of Commercial Paper Notes. A Substitute Credit Facility with respect to a Series of Commercial Paper Notes shall have a Commitment sufficient to provide for the timely payment of the principal of and interest on the Commercial Paper Notes of such Series including any Commercial Paper Notes of such Series outstanding at the time of the substitution as well as any such Commercial Paper Notes of such Series issued thereafter. The following are further conditions to the City's ability to provide a Substitute Credit Facility with respect to a Series of Commercial Paper Notes:

(a) The City shall deliver or cause to be delivered written notice of the proposed substitution to the Dealers and the holders of the Commercial Paper Notes.

(b) There shall be delivered to the City written evidence from each Rating Agency then maintaining a rating on the Commercial Paper Notes affected by the substitution of such Bank and Credit Facility of the rating to be assigned to such affected Commercial Paper Notes upon such substitution, and in the event (but only in the event) such substitution of such Bank and Credit Facility shall occur on a date other than a date on which either (i) no affected Commercial Paper Notes are then Outstanding or (ii) all affected Commercial Paper Notes shall mature, such written evidence shall confirm that the substitution of such Bank and Credit Facility will not result in any rating then assigned to the Commercial Paper Notes being reduced or withdrawn.

(c) The City shall cause to be delivered notice of the substitution of such Bank and Credit Facility to the Municipal Securities Rulemaking Board (the "MSRB") for filing with the MSRB through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>, at least 15 days prior to the date of the substitution or change.

(d) The City shall have paid all amounts then owed to the Related Bank which is being removed including any amounts owed on the Bank Note held by such Bank and any other amounts due under the applicable Credit Agreement.

(e) An opinion or opinions of counsel to the Substitute Bank to the effect that the Substitute Credit Facility is a legal and valid obligation of such Substitute Bank and is enforceable against such Substitute Bank in accordance with its terms and an opinion of Bond Counsel that substitution of such Credit Facility will not cause the Commercial Paper Notes to be subject to registration under the Securities Act of 1933.

Provided that the conditions set forth in this Section 8.02 have been met, the Council may enter into a Supplemental Resolution to amend the terms of this First Supplemental Resolution to conform to the mechanical provisions relating to Advances under the Credit Facility and to conform to the repayment terms of the Substitute Credit Agreement including providing for terms of the related Bank Note satisfactory to the Substitute Bank. Such amendments shall be deemed to be changes described in Section 11.02(e) of the Subordinate General Resolution and shall not require consent of or, except as provided in this Section 8.02, notice to the Bondholders.

Section 8.03. Draws Under Credit Facilities. The Issuing and Paying Agent is hereby authorized and directed on each day any Commercial Paper Note of any Series and subseries matures to deliver to the Related Bank no later than the time set forth in the Issuing and Paying Agent Agreement a drawing certificate (as provided in the related Credit Facility) and accompanying documentation and to take such action as necessary to comply with the terms of the related Credit Facility, if required, and to demand payment be made under such Credit Facility on such maturity date (or such earlier date or dates as required by such Credit Facility) at such time and in such amount not in excess of the then available Commitment of such Credit Facility so as to be timely and sufficient to pay the entire amount of principal and interest becoming due on all Commercial Paper Notes of such Series on such date; provided that, in each case any certificates of the Issuing and Paying Agent shall be signed by one who states therein that such person is a duly authorized officer of the Issuing and Paying Agent.

Section 8.04. Restriction on Use of Advances. The City agrees that it will direct the Bank to make Advances by payment directly to the Issuing and Paying Agent to be used to pay principal

of and interest on maturing Commercial Paper Notes and the City agrees and covenants that Advances will be used only to pay the principal of and interest on maturing Commercial Paper Notes.

ARTICLE IX

TAX COVENANTS

Section 9.01. Tax Certificates. With respect to any New Issue Commercial Paper Notes, the City shall, as a condition to the issuance thereof, execute a Tax Certificate.

Section 9.02. Rebate Fund. The City hereby agrees that it will deliver and abide by the Tax Certificate and that it has by ordinance created the Wastewater System Commercial Paper Revenue Notes Rebate Fund (the “CP Rebate Fund”), which fund is held by the City and will be funded, if so required, under the Tax Certificate, and amounts in such CP Rebate Fund shall be held and disbursed in accordance with the ordinance creating such fund and with the Tax Certificate.

Section 9.03. Preservation of Tax Exemption.

(a) The City shall comply with those covenants and agreements set forth in the Tax Certificate and the Mayor, the City Clerk, the City Administrative Officer, the Treasurer and the Controller and their designated deputies or assistants, any one or more thereof are authorized and directed to execute such Tax Certificate.

(b) The City shall not use or permit the use of any proceeds of Commercial Paper Notes or any other funds of the City held under this First Supplemental Resolution, the Issuing and Paying Agent Agreement or the Subordinate General Resolution, or in the General Construction Fund, directly or indirectly, to acquire any securities or obligations, and shall not use or permit the use of any amounts received by the City, and shall not take or permit to be taken any other action or actions, which would cause any Commercial Paper Notes to be “federally guaranteed” within the meaning of Section 149(b) of the Code or an “arbitrage bond” within the meaning of Section 148 of the Code and applicable regulations promulgated from time to time thereunder.

(c) The City shall at all times do and perform all acts and things permitted by law, the Subordinate General Resolution and this First Supplemental Resolution which are necessary or desirable in order to assure that interest paid on the Commercial Paper Notes (or any of them) will be excluded from gross income of the recipient thereof for federal income tax purposes and shall take no action that would result in such interest being included in gross income for federal income tax purposes.

Section 9.04. Applicability of Article IX. Notwithstanding anything to the contrary herein, the provisions in this Article IX shall apply only to Tax-Exempt Notes. This Article IX shall not apply to Taxable Notes.

ARTICLE X

EXECUTION OF DOCUMENTS

The Mayor, the City Clerk, the City Administrative Officer, the Treasurer and the Controller and their designated deputies or assistants, any one or more thereof as shall be appropriate, are authorized and directed to execute such certificates, agreements, forms and other closing documents, including those relating to the tax-exempt status of the Commercial Paper Notes, and those relating to the securities depository, if any, and such other instruments, as are necessary or appropriate to consummate the transactions contemplated by this First Supplemental Resolution and to carry out the intent hereof.

ARTICLE XI

[RESERVED]

ARTICLE XII

MISCELLANEOUS

Section 12.01. Notices.

(a) Any notice, request, direction, designation, consent, acknowledgment, certification, appointment, waiver or other communication required or permitted by this First Supplemental Resolution or the Commercial Paper Notes must be in writing except as expressly provided otherwise in this First Supplemental Resolution or the Commercial Paper Notes.

(b) Any notice or other communication, unless otherwise specified, shall be given to the Issuing and Paying Agent, as provided in the Issuing and Paying Agent Agreement.

(c) Any notice or other communication, unless otherwise specified, shall be sufficiently given and deemed given when delivered by hand or by Mail, addressed to the City at the address provided in the Subordinate General Resolution.

(d) Any addressee may designate additional or different addresses for purposes of this Section.

Section 12.02. Notices to Rating Agencies. The City agrees to give not less than 30 days prior notice to each of the Rating Agencies then rating the Commercial Paper Notes of (a) the removal of any Dealer or the Issuing and Paying Agent and of the appointment of any successor Dealer or Issuing and Paying Agent, (b) any amendment of this First Supplemental Resolution, the Subordinate General Resolution, the Issuing and Paying Agent Agreement, the Dealer Agreements or the Credit Facilities and, (c) the defeasance of all or any of the Commercial Paper Notes. Such notices shall be sent to such address as any Rating Agency then rating the Commercial Paper Notes shall supply to the City.

Section 12.03. Limitation of Rights. Nothing expressed or implied in this First Supplemental Resolution or the Commercial Paper Notes shall give any person other than the City,

the holders of the Commercial Paper Notes, the Banks as holders of the Bank Notes, and the Issuing and Paying Agent any right, remedy or claim under or with respect to this First Supplemental Resolution.

Section 12.04. Supplemental Resolution a Contract. This First Supplemental Resolution, together with the Subordinate General Resolution, is adopted by the City for the benefit of the holders of the Commercial Paper Notes and the Banks and together they constitute a contract with the holders of the Commercial Paper Notes and the Banks.

Section 12.05. Severability. If any provision of this First Supplemental Resolution shall be determined to be unenforceable, that shall not affect any other provision of this First Supplemental Resolution.

Section 12.06. Reports to Holders of Notes. Under the terms of the Subordinate General Resolution, the City makes adequate provision for furnishing of financial information to the holders of the Commercial Paper Notes and hereby elects that the provisions of Section 54522 of the Revenue Bond Law relating to a summary statement shall not be applicable to the Commercial Paper Notes.

Section 12.07. Payments Due on Non-Business Days. Except as otherwise provided in a Credit Agreement with respect to the related Bank Note, if a payment date is not a Business Day, then payment may be made on the next Business Day, and no interest shall accrue for the intervening period.

Section 12.08. Governing Law. This First Supplemental Resolution shall be governed by and construed in accordance with the laws of the State.

Section 12.09. Captions. The captions in this First Supplemental Resolution are for convenience only and do not define or limit the scope or intent of any provisions or Sections of this First Supplemental Resolution.

Section 12.10. Incorporation of Changes Requested by Rating Agencies. It is the intent of this Council, that the Commercial Paper Notes meet the requirements of the Rating Agencies then rating the Commercial Paper Notes so that ratings satisfactory to the Dealers be assigned to the Commercial Paper Notes. Therefore, if either of such Rating Agencies shall request revisions to the terms of this First Supplemental Resolution prior to the time of the issuance of the first Commercial Paper Notes, such revisions as are agreed to by the City shall be incorporated herein and this First Supplemental Resolution shall be deemed to include as a valid provision such revisions as are in writing, signed by an Authorized City Representative and such writing specifically states that it is executed under the authority of Section 12.10; provided however, that no such revision shall affect the principal amount of Commercial Paper Notes issued hereunder, the interest rate permitted on such Commercial Paper Notes or change the limited nature of the obligation represented by the Commercial Paper Notes or provide for the payment of the Commercial Paper Notes from any sources other than stated in this First Supplemental Resolution.

Section 12.11. Repeal of Inconsistent Previous CP Supplemental Resolutions. All Previous CP Supplemental Resolutions, or parts of Previous CP Supplemental Resolutions,

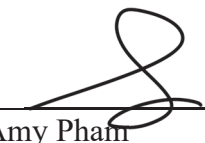
inconsistent with this First Supplemental Resolution are hereby repeated to the extent of such inconsistency.

Section 12.12. No Novation. Upon the adoption of this First Supplemental Resolution, the terms and provisions of the Original First Supplemental Resolution shall be and hereby is amended, superseded and restated in its entirety by the terms and provisions of this First Supplemental Resolution. This First Supplemental Resolution is amended and restated in substitution for, and not in satisfaction of, the rights and obligations of the City under the Original First Supplemental Resolution. This First Supplemental Resolution is not intended to and shall not constitute a novation. All Commercial Paper Notes issued under the Original Credit Agreement which are outstanding on the effective date hereof shall continue as Commercial Paper Notes under (and shall be governed by the terms of) this First Supplemental Resolution.

Section 12.13. Effective Date. The City provided notice of the proposed adoption of this First Supplemental Resolution by Mail to all Bondholders of the affected Series (which were Outstanding as of September 17, 2021) in accordance with Section 11.03(c) of the Subordinate General Resolution. The Commercial Paper Notes are not insured. Purchasers of Commercial Paper Notes issued on and after the date of distribution of an offering memorandum or offering memoranda describing the provisions of this First Supplemental Resolution are deemed to have granted their consent to and approved the provisions of this First Supplemental Resolution in accordance with Section 11.03(b) of the Subordinate General Resolution. Accordingly, this First Supplemental Resolution shall take effect on the date on which the City receives the consents and approvals from the holders of not less than 51% in aggregate principal amount of the Subordinate Bonds of all series which are directly affected by such changes and on which the other requirements contained in Article XI of the Subordinate General Resolution have been satisfied.

Approved as to form:

MICHAEL N. FEUER,
City Attorney

By  _____
Amy Pham
Deputy City Attorney

ATTACHMENT B

RESOLUTION OF THE COUNCIL OF THE CITY OF LOS ANGELES,
CALIFORNIA APPROVING AND AUTHORIZING THE EXECUTION OF
CERTAIN LEGAL DOCUMENTS IN CONNECTION WITH THE
AMENDMENT OF THE WASTEWATER SYSTEM COMMERCIAL PAPER
REVENUE NOTE PROGRAM ESTABLISHED TO PROVIDE FOR THE
ISSUANCE OF COMMERCIAL PAPER NOTES TO FINANCE A PORTION
OF A MAJOR WASTEWATER SYSTEM IMPROVEMENT PROGRAM AND
AUTHORIZING AND DIRECTING CERTAIN ACTIONS WITH RESPECT
THERETO

WHEREAS, the City Council (the "Council") of the City of Los Angeles (the "City") by resolution submitted to the voters of the City and such voters have authorized the issuance of an aggregate amount of \$3,500,000,000 of indebtedness pursuant to the procedures set forth in the Revenue Bond Law of 1941, Government Code Sections 54300 *et seq.* to finance a portion of a major wastewater system improvement program; and

WHEREAS, pursuant to the Charter of the City and Article 6.7 of Chapter 1 of Division 11 of the Administrative Code of the City, the City has established a procedure pursuant to which the City may issue bonds and notes without further voter authorization; and

WHEREAS, the Council determined that it was appropriate and beneficial to the City to issue a portion of the authorized indebtedness in the form of Subordinate Bonds (defined below), including commercial paper notes, and in connection therewith on March 26, 1991, the Council adopted a resolution entitled the "WASTEWATER SYSTEM SUBORDINATE REVENUE BONDS GENERAL RESOLUTION," as amended and supplemented through the date hereof and as it may be further amended and supplemented from time to time (collectively, the "Subordinate General Resolution") which sets forth the basic terms under which the City may issue Subordinate Bonds; and

WHEREAS, the Subordinate General Resolution provides for a subordinate pledge of Revenues (as defined in the Subordinate General Resolution) to secure all Subordinate Bonds issued thereunder; and

WHEREAS, the Subordinate General Resolution provides that each Series of Subordinate Bonds issued thereunder shall be authorized by, and the terms thereof set forth in, a Supplemental Resolution; and

WHEREAS, the Council further determined that it was appropriate and beneficial to the City to issue a portion of the Subordinate Bonds in the form of commercial paper notes, and in connection therewith on March 26, 1991, the Council also adopted a resolution entitled the "FIRST SUPPLEMENTAL RESOLUTION SUPPLEMENTING THE WASTEWATER SYSTEM SUBORDINATE REVENUE BONDS GENERAL RESOLUTION," as amended and supplemented through the date hereof (collectively, the "Original First Supplemental Resolution") to, among other actions, authorize the issuance of such Subordinate Bonds in the form of commercial paper notes which were designated therein as the "Commercial Paper Notes" (as more particularly defined herein, the "Commercial Paper Notes") in the maximum aggregate principal amount outstanding from time to time of \$130,000,000; and

WHEREAS, on August 13, 1996, the Council adopted a resolution entitled “SECOND SUPPLEMENTAL RESOLUTION SUPPLEMENTING AND AMENDING THE WASTEWATER SYSTEM SUBORDINATE REVENUE BONDS GENERAL RESOLUTION AND THE FIRST SUPPLEMENTAL RESOLUTION” (the “Second Supplemental Resolution”) pursuant to which the Council, among other actions, increased the maximum authorized aggregate principal amount of Commercial Paper Notes to \$200,000,000; and

WHEREAS, on September 3, 1997, the Council adopted a resolution entitled “THIRD SUPPLEMENTAL RESOLUTION SUPPLEMENTING AND AMENDING THE WASTEWATER SYSTEM SUBORDINATE REVENUE BONDS GENERAL RESOLUTION AND THE FIRST SUPPLEMENTAL RESOLUTION AND THE WASTEWATER SYSTEM SECOND SUPPLEMENTAL RESOLUTION” (the “Third Supplemental Resolution”) to, among other actions, increase the maximum authorized amount of such Commercial Paper Notes from \$200,000,000 to \$400,000,000; and

WHEREAS, on the date hereof, the Council is adopting a resolution entitled “AMENDED AND RESTATED FIRST SUPPLEMENTAL RESOLUTION SUPPLEMENTING AND AMENDING THE WASTEWATER SYSTEM SUBORDINATE REVENUE BONDS GENERAL RESOLUTION AND CERTAIN SUPPLEMENTAL RESOLUTIONS THERETO AND AMENDING AND RESTATING THE FIRST SUPPLEMENTAL RESOLUTION” (the “A&R First Supplemental Resolution”) to, among other things, facilitate the extension and increase of the existing Credit Facilities (as defined herein) and to facilitate any new Credit Facilities or any substitutions or extensions thereof in the future as and to the extent authorized by resolution of the Council from time to time, and to amend and restate the Original First Supplemental Resolution to eliminate the need to amend the definitions or other terms of the Original First Supplemental Resolution to conform to the mechanical provisions relating to Advances under the Credit Agreements or to conform to the repayment terms of the Credit Agreements and the Bank Notes by Supplemental Resolution in connection with each such substitution or extension, and to otherwise consolidate all of the amendments contained in the Previous CP Supplemental Resolutions (as defined in the A&R First Supplemental Resolution); and

WHEREAS, to provide a source of liquidity for the Commercial Paper Note Program (as defined in the A&R First Supplemental Resolution), the City has and will continue to, pursuant to the general laws of the State of California and; in particular, the provisions of Section 5922 of the California Government Code, maintain one or more Credit Facilities (as defined in the A&R First Supplemental Resolution) to support the Commercial Paper Notes issued by the Banks (as defined in the A&R First Supplemental Resolution) pursuant to the Credit Agreements (as defined in the A&R First Supplemental Resolution), together with the related Bank Notes (as defined in the A&R First Supplemental Resolution) and the related Fee Letters (as defined in the A&R First Supplemental Resolution); and

WHEREAS, the City currently issues its Wastewater System Commercial Paper Revenue Notes (the “Existing Commercial Paper Notes”) from time to time in an aggregate principal amount not to exceed \$250,000,000 (the “Existing Commercial Paper Note Program”) pursuant to an Amended and Restated Issuing and Paying Agent Agreement, dated as of October 1, 2018 (the “Existing Issuing and Paying Agent Agreement”), by and between the City and U.S. Bank

National Association, as issuing and paying agent (the “Issuing and Paying Agent”), as previously approved by this Council of the City, most recently on October 16, 2018; and

WHEREAS, the payment of principal and interest on the Existing Commercial Paper Notes are currently supported by an irrevocable transferable direct pay letter of credit, dated December 17, 2015, as amended an Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date dated October 23, 2018 (as so amended, the “2015 Barclays Letter of Credit”), issued by Barclays Bank PLC (“Barclays”) and an irrevocable transferable direct pay letter of credit (the “2018 TD Letter of Credit” and together with the 2015 Barclays Letter of Credit, the “Existing Credit Facilities”) issued by The Toronto-Dominion Bank, New York Branch (“TD” and together with Barclays, the “Banks”); and

WHEREAS, the City desires to amend the Existing Commercial Paper Note Program to provide for the issuance by the City of its Wastewater System Commercial Paper Revenue Notes (the “Commercial Paper Notes”) from time to time in an aggregate principal amount not to exceed \$400,000,000 (the “Commercial Paper Note Program”); and

WHEREAS, in connection with the amendment of the Existing Commercial Paper Note Program, the City desires to extend the stated letter of credit expiration date of and to increase the stated amount of the 2015 Barclays Letter of Credit and to extend the stated letter of credit expiration date of and to increase the stated amount of the 2018 TD Letter of Credit; and

WHEREAS, in order to provide for the payment of principal and interest on \$120,000,000 aggregate principal amount of the Series A-1 Commercial Paper Notes and the Series B-1 Commercial Paper Notes, the City has requested Barclays to extend the stated letter of credit expiration date of and to increase the stated amount of the 2015 Barclays Letter of Credit by the issuance of an Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date (as so amended, the “Barclays Credit Facility”) and in connection therewith, amend and restate the existing amended and restated reimbursement agreement between the City and Barclays (as so amended and restated, the “Barclays Credit Agreement”), and in connection therewith, the City will amend and restate the existing amended and restated fee letter with Barclays (as so amended and restated, the “Barclays Fee Letter”) and the existing amended and restated bank note (as so amended and restated, the “Barclays Bank Note”) to Barclays to evidence the indebtedness of the City due and owing to Barclays under the Barclays Credit Agreement; and

WHEREAS, in order to provide for the payment of principal and interest on \$280,000,000 aggregate principal amount of the Series A-2 Commercial Paper Notes and the Series B-2 Commercial Paper Notes, the City have requested TD to extend the stated letter of credit expiration date of and to increase the stated amount of the 2018 TD Letter of Credit by the issuance of an Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date (as so amended, the “TD Credit Facility” and together with the Barclays Credit Facility, the “Credit Facilities”) and in connection therewith, amend and restate the existing reimbursement agreement between the City and TD (as so amended and restated, the “TD Credit Agreement” and together with the Barclays Credit Agreement, the “Approved Credit Agreements”), and in connection therewith, the City will amend and restate the existing fee letter with TD (as so amended and restated, the “TD Fee Letter” and together with the Barclays Fee Letter, the

“Approved Fee Letters”) and the existing bank note (as so amended and restated, the “TD Bank Note” and together with the Barclays Bank Note, the “Approved Bank Notes”) to TD to evidence the indebtedness of the City due and owing to TD under the TD Credit Agreement; and

WHEREAS, in order to facilitate the amendment of the Existing Commercial Paper Note Program, the City desires to amend and restate the Existing Issuing and Paying Agent Agreement pursuant to a Second Amended and Restated Issuing and Paying Agent Agreement (the “Second Issuing and Paying Agent Agreement”), by and between the City and the Issuing and Paying Agent; and

WHEREAS, the City desires to cause the delivery of additional Credit Facilities or additional Substitute Credit Facilities under the A&R First Supplemental Resolution adopted by this Council on this date for the Commercial Paper Notes from time to time and/or extend any existing Credit Facility and/or to amend any existing Credit Facility to increase or decrease the maximum principal amount of Commercial Paper Notes supported by such Credit Facility, and to cause any necessary designation of additional subseries of the Commercial Paper Notes (and any corresponding establishment of subaccounts with respect to such additional subseries) from time to time to facilitate such delivery or amendment, in support of a maximum \$400,000,000 aggregate principal amount of Commercial Paper Notes; and

WHEREAS, the Commercial Paper Notes will be placed from time to time by dealers appointed by the City under the A&R First Supplemental Resolution (the “Dealers”), currently Barclays Capital Inc. and Citigroup Global Markets Inc., pursuant to separate commercial paper dealer agreements (the “Dealer Agreements”), by and between the City and each of the Dealers named in such Dealer Agreements, and the Dealers will utilize one or more offering memoranda (the “Offering Memoranda”) prepared by the City for the Commercial Paper Notes in connection with the marketing of the Commercial Paper Notes.

NOW, THEREFORE, BE IT RESOLVED, BY THE COUNCIL OF THE CITY OF LOS ANGELES, as follows:

1. Pursuant to the A&R First Supplemental Resolution adopted by this Council on this date, this Council has authorized the issuance from time to time by the City of the Commercial Paper Notes in an aggregate total principal amount of not to exceed \$400,000,000 pursuant to the A&R First Supplemental Resolution and the Second Amended and Restated Issuing and Paying Agent Agreement. This Council hereby approves the issuance by the City of the Approved Bank Notes pursuant to the A&R First Supplemental Resolution and the Approved Credit Agreements.

2. The Second Amended and Restated Issuing and Paying Agent Agreement, a form of which is before this Council and on file in the office of the City Administrative Officer of the City, is hereby approved. The City Administrative Officer or any Assistant City Administrative Officer or his or her designee (each, an “Authorized Officer”) is hereby authorized and directed, without further action of this Council, for and in the name of and on behalf of the City, to execute and deliver the Second Amended and Restated Issuing and Paying Agent Agreement, which shall be in substantially the form presented to this meeting, with such additions and changes therein as such Authorized Officer shall determine is necessary or desirable or otherwise

approve as being in the best interests of the City, and as are approved as to form by the City Attorney or any Deputy City Attorney or Assistant City Attorney (each, the "City Attorney"), such approval to be conclusively evidenced by such Authorized Officer's execution and delivery of such Second Amended and Restated Issuing and Paying Agent Agreement; provided, however, that the aggregate principal amount of the Commercial Paper Notes issued pursuant to the Second Amended and Restated Issuing and Paying Agent Agreement shall not exceed \$400,000,000.

Any Authorized City Representative (as defined in the A&R First Supplemental Resolution) continues to be authorized and directed, on behalf of the City, without further action of this Council, to replace the Issuing and Paying Agent under the Second Amended and Restated Issuing and Paying Agent Agreement (or to execute and deliver a new Issuing and Paying Agent Agreement with such replacement Issuing and Paying Agent, which shall be in substantially the form of the Second Amended and Restated Issuing and Paying Agent Agreement presented to this meeting, with such additions and changes therein as such Authorized City Representative shall determine is necessary or desirable or otherwise approve as being in the best interests of the City, and as are approved as to form by the City Attorney, such approval to be conclusively evidenced by such Authorized City Representative's execution and delivery of such new Issuing and Paying Agent Agreement) if such Authorized City Representative deems it in the best interests of the City to do so, provided that no replacement shall require an annual fee in excess of \$10,000 for services as the Issuing and Paying Agent.

3. The Offering Memoranda relating to the Commercial Paper Notes, substantially in the form of the Offering Memorandum which is before this Council and on file in the office of the City Administrative Officer of the City, are hereby approved. Any Authorized Officer is hereby authorized and directed, on behalf of the City, without further action of this Council, to cause the printing of, and to distribute, the Offering Memoranda in substantially the form presented to this meeting, with such updates, additions and changes therein as the City staff and financial advisors shall determine is necessary or desirable or otherwise approve as being in the best interests of the City, and as are approved as to form by the City Attorney, to persons who may be interested in purchasing the Commercial Paper Notes.

Additional offering memoranda (or amendments, supplements or amendment and restatements thereof) relating to the Commercial Paper Notes in connection with the delivery of additional Credit Facilities or additional Substitute Credit Facilities for the Commercial Paper Notes from time to time under the A&R First Supplemental Resolution and/or extension of any existing Credit Facility and/or amendment of any existing Credit Facility as described in paragraph 6 below, are hereby approved; provided that any such additional offering memoranda shall be substantially in the form of the Offering Memoranda approved by this Resolution. Any Authorized City Representative is hereby authorized and directed, on behalf of the City, without further action of this Council, to cause the printing of, and to distribute, such additional offering memoranda (or amendments, supplements or amendment and restatements thereof), with such updates, additions and changes therein as the City staff and financial advisors shall determine is necessary or desirable or otherwise approve as being in the best interests of the City, and as are approved as to form by the City Attorney, to persons who may be interested in purchasing the Commercial Paper Notes.

4. The Dealer Agreements, substantially in the form of the Dealer Agreement which is before this Council and on file in the office of the City Administrative Officer of the City, are hereby approved. Any Authorized Officer is hereby authorized and directed, without further action of this Council, for and in the name of and on behalf of the City, to execute and deliver the Dealer Agreements, which shall be in substantially the form presented to this meeting, with such additions and changes therein as such Authorized Officer shall determine is necessary or desirable or otherwise approve as being in the best interests of the City, and as are approved as to form by the City Attorney, such approval to be conclusively evidenced by such Authorized Officer's execution and delivery of such Dealer Agreements.

Any Authorized City Representative is hereby authorized and directed, without further action of this Council, for and in the name of and on behalf of the City, to execute and deliver any other amendments to and assignments of the Dealer Agreements necessary to make conforming changes to the Dealer Agreements in connection with the transactions contemplated by this Resolution as any Authorized City Representative shall determine is necessary or desirable or otherwise approve as being in the best interests of the City, and as are approved as to form by the City Attorney, such approval to be conclusively evidenced by such Authorized City Representative's execution and delivery of such amendments or assignments.

This Council hereby approves the placement of the Commercial Paper Notes by the Dealers pursuant to the Dealer Agreements and the distribution of the Offering Memoranda by the Dealers in connection therewith.

Any Authorized City Representative is authorized and directed, on behalf of the City, without further action of this Council, to replace one or more of the Dealers or to retain additional dealers for the Commercial Paper Notes if such Authorized City Representative deems it in the best interests of the City to do so and any Authorized City Representative is hereby authorized and directed, without further action of this Council, for and in the name of and on behalf of the City, to execute and deliver new Dealer Agreements with such broker-dealers or banks, which shall be in substantially the form presented to this meeting, with such additions and changes therein as such Authorized City Representative shall determine is necessary or desirable or otherwise approve as being in the best interests of the City, and as are approved as to form by the City Attorney, such approval to be conclusively evidenced by such Authorized City Representative's execution and delivery of such new Dealer Agreements; provided that no replacement shall require an annual fee in excess of 0.10% of the weighted average of the principal amount of the Commercial Paper Notes sold by such Dealer.

5. This Council hereby determines that the payment, interest rate, currency, security, default, remedy and other terms and conditions of the credit and/or liquidity arrangements and the repayment of Advances and interest thereon shall be as set forth in the Approved Credit Agreements, the Approved Fee Letters and the Approved Bank Notes, subject to any limitations set forth in the A&R First Supplemental Resolution. The Approved Credit Agreements and the Approved Fee Letters, forms of which are before this Council and on file in the office of the City Administrative Officer of the City, are hereby approved. Any Authorized Officer is hereby authorized and directed, without further action of this Council, for and in the name of and on behalf of the City, to execute and deliver the Approved Credit Agreements and the Approved Fee Letters, which Approved Credit Agreements and Approved Fee Letters shall be in substantially

the forms presented to this meeting, with such additions and changes therein as such Authorized Officer shall determine is necessary or desirable or otherwise approve as being in the best interests of the City (including without limitation any additions and changes in connection with the delivery of any additional Credit Facilities or additional Substitute Credit Facilities for the Commercial Paper Notes under the A&R First Supplemental Resolution and/or extension of any existing Credit Facility and/or amendment of any existing Credit Facility to increase or decrease the maximum principal amount of Commercial Paper Notes supported by such Credit Facility or to cause any necessary designation of additional subseries of the Commercial Paper Notes and any corresponding establishment of subaccounts with respect to such additional subseries, to facilitate such delivery or amendment), and as are approved as to form by the City Attorney, each such approval to be conclusively evidenced by such Authorized Officer's execution and delivery of such Approved Credit Agreements and Approved Fee Letters. The Approved Bank Notes, substantially in the form attached as an exhibit to the forms of the Approved Credit Agreements described above, are hereby approved, and the Approved Bank Notes shall be issued by the City pursuant to the A&R First Supplemental Resolution and the applicable Approved Credit Agreements. This Council hereby determines that the marketability of the Commercial Paper Notes will be enhanced if the City provides assurance to the purchasers of the Commercial Paper Notes that the City has ready access to sufficient funds to pay maturing Commercial Paper Notes and, therefore, it is appropriate for the City to maintain the Credit Facilities in support of the Commercial Paper Notes.

6. Any Authorized City Representative is hereby authorized and directed, on behalf of the City, without further action of this Council, to cause the delivery of such additional Credit Facilities or additional Substitute Credit Facilities and/or such extension of any existing Credit Facility and/or such amendment of any existing Credit Facility to increase or decrease the maximum principal amount of Commercial Paper Notes supported by such Credit Facility, if such Authorized City Representative deems it in the best interests of the City to do so and any Authorized City Representative is hereby authorized and directed, without further action of this Council, for and in the name of and on behalf of the City, to execute and deliver any amendments, supplements or amendment and restatements or replacements of the Program Documents (as defined below) from time to time to facilitate such delivery or amendment, as applicable, in support of a maximum \$400,000,000 aggregate principal amount of Commercial Paper Notes; provided that (i) any such documents shall be substantially in the forms of the equivalent documents executed and delivered by an Authorized City Representative pursuant to this Resolution or pursuant to prior authorization from this Council; (ii) any provider of an additional Credit Facility or additional Substitute Credit Facility for the Commercial Paper Notes under the A&R First Supplemental Resolution must be a bank or financial institution rated "A" or "A2" or its equivalent or better by any rating agency; (iii) no reimbursement agreement or amendment thereto shall require an initial annual fee in excess of 1.95% of the commitment amount; (iv) any such Credit Facility shall conform to the draw times set forth in the A&R First Supplemental Resolution and the Second Amended and Restated Issuing and Paying Agent Agreement; and (v) any such Credit Agreement shall provide for a term loan repayment of Advances and payment of interest within the parameters and subject to any limitations set forth in Section 3.11 of the A&R First Supplemental Resolution.

7. Any Authorized City Representative is hereby authorized to approve such other amendments, supplements or amendment and restatements or replacements of the Commercial

Paper Notes, the Second Amended and Restated Issuing and Paying Agent Agreement, the Dealer Agreements, the Offering Memoranda, the Approved Credit Facilities, additional Credit Facilities or additional Substitute Credit Facilities, the Approved Credit Agreements, any reimbursement agreements relating to additional Credit Facilities or additional Substitute Credit Facilities, the Approved Fee Letters, any fee letters relating to additional Credit Facilities or additional Substitute Credit Facilities, the Approved Bank Notes and any bank notes relating to additional Credit Facilities or additional Substitute Credit Facilities (collectively, the "Program Documents") as he or she shall deem necessary or desirable and with the approval of the City Attorney, including, without limitation, any changes and additions as such Authorized City Representative shall deem necessary or desirable in connection with the amendment and restatement of the Senior Lien Resolution (as defined in the A&R First Supplemental Resolution) and/or the Subordinate General Resolution (as defined in the A&R First Supplemental Resolution) and with the approval of the City Attorney, the execution and delivery of any such documents, the issuance of the Commercial Paper Notes and the Bank Notes and the distribution of the Offering Memoranda to be conclusive evidence of such approval of any such changes or additions. Any Authorized Officer is hereby further authorized and directed to do any and all things and to execute any and all certificates, agreements (including any custodial agreements, escrow agreements, termination agreements or indemnifications) and other closing documents, including letters of direction, as are necessary to consummate the transactions contemplated by this Resolution and the Program Documents. Any Authorized Officer is hereby further authorized and directed, for and in the name of and on behalf of the City, to do any and all things and to execute any and all amendments to the reimbursement agreements and related fee letters for the Existing Commercial Paper Note Program or other documents to provide for a short-term extension of the term of any Existing Credit Facility for the Existing Commercial Paper Note Program, as such Authorized Officer, or any of the City's financial advisors, shall determine is necessary or desirable or otherwise approve as being in the best interests of the City, and deem necessary or advisable in order to consummate the transactions contemplated by this Resolution and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

8. The Authorized Officers and the officers and employees of the City are, and each of them is, hereby authorized and directed, for and in the name of and on behalf of the City to do any and all things and to execute and deliver any and all documents which they or any of them deem necessary or advisable in order to consummate the transactions contemplated by this Resolution and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

9. All actions heretofore taken by the officers and employees of the City with respect to the Commercial Paper Note Program or the issuance and delivery of the Commercial Paper Notes are hereby approved, confirmed and ratified.

10. This Resolution shall take effect immediately upon its adoption.

Approved as to Form:
MICHAEL N. FEUER
City Attorney

By:  _____
Deputy City Attorney

ATTACHMENT C

SECOND AMENDED AND RESTATED REIMBURSEMENT AGREEMENT

by and between

CITY OF LOS ANGELES

and

BARCLAYS BANK PLC

Relating to:
City of Los Angeles
Wastewater System Commercial Paper Revenue Notes
Tax-Exempt Series A-1 Notes and Taxable Series B-1 Notes

Dated as of October 15, 2021

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SECOND AMENDED AND RESTATED REIMBURSEMENT AGREEMENT

THIS SECOND AMENDED AND RESTATED REIMBURSEMENT AGREEMENT, dated as of October 15, 2021 (as amended, supplemented or otherwise modified from time to time, this “*Agreement*”), is made by and between the CITY OF LOS ANGELES, a municipal corporation and chartered city of the State of California (the “*City*”) and BARCLAYS BANK PLC (together with its successors and assigns, the “*Bank*”), amending and restating that certain Amended and Restated Reimbursement Agreement, dated as of October 1, 2018 (the “*Prior Amended and Restated Agreement*”), by and between the City and the Bank.

WITNESSETH:

WHEREAS, the City has issued its Wastewater System Commercial Paper Revenue Notes, Tax-Exempt Series A-1 Notes and Taxable Series B-1 Notes (the “*Commercial Paper Notes*”) pursuant to (i) that certain Wastewater System Subordinate Revenue Bonds General Resolution, adopted March 26, 1991, as heretofore previously amended and supplemented and as further amended and supplemented from time to time in accordance with the terms thereof and the terms hereof (the “*Subordinate General Resolution*”), including as amended from time to time pursuant to the terms of that certain Amended and Restated First Supplemental Resolution adopted October 8, 2021 (“*A&R First Supplemental Resolution*,” and as further amended, restated, supplemented or otherwise modified in accordance with the terms thereof and hereof, the “*Supplemental Resolution*”, and collectively with the Subordinate General Resolution as heretofore amended and as the same may be amended, restated, supplemented or otherwise modified with the terms thereof and the terms hereof, the “*Resolution*”) and (ii) that certain Second Amended and Restated Issuing and Paying Agent Agreement, dated as of October 1, 2021 (as the same may be amended, restated, supplemented or otherwise modified in accordance with the terms thereof and hereof, the “*Issuing and Paying Agent Agreement*”), by and between the City and U.S. Bank National Association, as Issuing and Paying Agent and its successors and assigns (the “*Issuing and Paying Agent*”); and

WHEREAS, the Bank and the City have previously entered into that certain Reimbursement Agreement, dated as of December 1, 2015 (the “*Original Agreement*”), pursuant to which the Bank issued the Original Letter of Credit (as hereinafter defined) in an initial aggregate amount of \$109,000,000 (such amount being in a principal amount of \$100,000,000 plus an amount equal to 270 days interest on such amount at an assumed rate of twelve percent (12%) per annum on the basis of a 360 day year) (the “*Original Stated Amount*”) to support the Commercial Paper Notes; and

WHEREAS, the Bank and the City have previously entered into the Prior Amended and Restated Agreement pursuant to which the Bank issued the First Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date (as hereinafter defined); and

WHEREAS, the Letter of Credit Expiration Date of the Original Letter of Credit, as amended by the First Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date (as so amended, the “*Amended Original Letter of Credit*”) is October 22, 2021; and

WHEREAS, the City has requested the Bank to increase the Original Stated Amount of the Amended Original Letter of Credit, to extend the Letter of Credit Expiration Date of the Amended Original Letter of Credit to October 30, 2024, and to make certain other amendments to the Amended Original Letter of Credit and the Prior Amended and Restated Agreement; and

WHEREAS, the Bank is willing to issue a Second Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date (as more particularly defined herein, the “*Second Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date*”) to provide for such extension and amendments to the Amended Original Letter of Credit upon the terms and conditions provided herein; and

WHEREAS, this Agreement amends the Prior Amended and Restated Agreement in its entirety and from and after the Amendment Effective Date all references made to the Prior Amended and Restated Agreement in any Program Document or in any other instrument or document shall be deemed to refer to this Agreement, and this Agreement shall become effective and supersede all provisions of the Prior Amended and Restated Agreement upon the execution and delivery of this Agreement by each of the parties hereto and the fulfillment of all conditions precedent hereof.

NOW THEREFORE, in consideration of the premises and the mutual agreements herein contained, the City and the Bank agree as follows:

ARTICLE I.

DEFINITIONS

As used in this Agreement:

“*A&R First Supplemental Resolution*” has the meaning set forth in the recitals hereof.

“*Advance*” has the meaning set forth in Section 2.03(a)(i) hereof.

“*Agreement*” means this Second Amended and Restated Reimbursement Agreement, as amended and supplemented.

“*Amended Original Letter of Credit*” has the meaning set forth in the recitals hereof.

“*Amendment Effective Date*” means October 15, 2021, which, subject to the satisfaction of the conditions precedent set forth in Section 4.01, is the date on which the Second Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date shall be issued.

“*Amortization End Date*” means, with respect to any Advance, the earliest to occur of: (i) the third (3rd) anniversary of the date on which the related Advance was made, (ii) the date on which a substitute Credit Facility becomes effective in substitution of the Letter of Credit with respect to the Commercial Paper Notes, (iii) the date on which the Stated Amount is permanently reduced to zero or the Letter of Credit is otherwise terminated in accordance with its terms (other than as a result of the Letter of Credit expiring solely as a result of the Letter of Credit Expiration Date), including as a result of the occurrence of an Event of Default, (iv) the date which all

Obligations are declared or automatically become due and payable pursuant to Section 7.02(a) hereof and (v) the end of the term of the Commercial Paper Program in respect of the Commercial Paper Notes as determined in accordance with the Resolution and the Issuing and Paying Agent Agreement.

“*Anti-Terrorism Laws*” has the meaning set forth in Section 5.24 hereof.

“*Authorized City Representative*” means the City Administrative Officer of the City or a duly authorized designee of the City Administrative Officer of the City, or any Assistant City Administrative Officer of the City, provided, that a copy of such designation shall have been provided to the Bank.

“*Bank*” has the meaning set forth in the introductory paragraph hereof.

“*Bank Agreement*” means any credit agreement, liquidity agreement, standby bond purchase agreement, reimbursement agreement, direct purchase agreement, bond purchase agreement, or other agreement or instrument (or any amendment, supplement or other modification thereof) under which, directly or indirectly, any Person or Persons undertake(s) to make or provide funds to make payment of, or to purchase or provide credit enhancement for bonds or notes of the City that are secured senior to or on a parity with the Lien on Revenues securing the Obligations.

“*Bank Note*” has the meaning set forth in Section 2.03(d) hereof.

“*Bank Rate*” means the rate of interest per annum with respect to an Advance (a) for any day commencing on the date such Advance is made to and including the 30th day next succeeding the date such Advance is made, equal to the Base Rate; (b) for any day commencing on and including the 31st day next succeeding the date such Advance is made to and including the 90th day next succeeding the date such Advance is made, equal to the sum of the Base Rate from time to time in effect plus one percent (1.00%) (*provided* that component (iii) of the definition of Base Rate shall not be subject to the 1.00% increase); and for any day commencing on and including the 91st day next succeeding the date such Advance is made and thereafter, equal to the sum of the Base Rate from time to time in effect plus two percent (2.00%) (*provided* that component (iii) of the definition of Base Rate shall not be subject to the 2.00% increase); *provided, however*, that immediately and automatically upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuation of such Event of Default, “Bank Rate” shall mean the Default Rate; and *provided further* that, at no time shall the Bank Rate be less than the highest rate of interest on any outstanding Commercial Paper Notes.

“*Bank’s Counsel*” has the meaning set forth in Section 4.01 hereof.

“*Base Rate*” means, for any day, the rate of interest per annum equal to the highest of (i) the Prime Rate in effect at such time *plus* two and one-half percent (2.50%), (ii) the Federal Funds Rate in effect at such time *plus* two and one-half percent (2.50%), (iii) one hundred fifty percent (150%) of the yield on the 30 Year United States Treasury bond, and (iv) six percent (6.00%). Each determination of the Base Rate by the Bank shall be conclusive and binding on the City absent manifest error.

“*Bond Counsel*” means Hawkins Delafield & Wood LLP or another nationally recognized bond counsel firm selected by the City.

“*Business Day*” means any day other than (a) a Saturday, Sunday, or other day on which commercial banks located in the States of New York or California are authorized or required by Law or executive order to close, (b) a day on which the presentation office of the Bank for Drawings under the Letter of Credit is authorized or required by Law or executive order to close and (c) a day on which the New York Stock Exchange is closed.

“*Charter*” means the charter of the City as in effect on the Amendment Effective Date.

“*City*” has the meaning set forth in the recitals hereof.

“*City Administrative Code*” means the Los Angeles Municipal Code as in effect on the date hereof.

“*City Administrative Officer*” has the meaning set forth in the Subordinate General Resolution.

“*City Council*” means the legislative governing body of the City.

“*City Documents*” has the meaning set forth in Section 5.01 hereof.

“*Closing Date*” means October 23, 2018, which, subject to the satisfaction of the conditions precedent set forth in Section 4.01, is the date on which the First Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date was issued.

“*Code*” means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, and any successor thereto.

“*Commercial Paper Notes*” has the meaning set forth in the recitals hereof.

“*Commercial Paper Program*” has the meaning set forth in the Subordinate General Resolution.

“*Credit Facility*” means any letter of credit, liquidity facility, line of credit or similar facility issued in substitution for the Letter of Credit supporting the Commercial Paper Notes.

“*Dealer*” means, as the context requires, each dealer appointed and acting as such from time to time under a Dealer Agreement and their respective successors and assigns.

“*Dealer Agreement*” means, as the context requires, (a) the Dealer Agreement, dated as of December 1, 2015, between Barclays Capital Inc., as dealer, and the City, and any and all modifications, alterations, amendments and supplements thereto; (b) the Dealer Agreement, dated as of December 1, 2015, between Citigroup Global Markets Inc. as dealer, and the City, and any and all modifications, alterations, amendments and supplements thereto; and (c) each other agreement, if any, from time to time in effect between a dealer and the City under which such

dealer is appointed and acting as a dealer with respect to the Commercial Paper Notes, and any and all modifications, alterations, amendments and supplements thereto.

“Debt” means at any date, without duplication, (a) all obligations of the City for borrowed money, (b) all obligations of the City evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of the City to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (d) all obligations of the City on or with respect to letters of credit, banker’s acceptances and other evidences of indebtedness representing extensions of credit whether or not representing obligations for borrowed money, (e) all obligations of the City as lessee under capital leases, (f) all Debt of others secured by a lien on any asset of the System, whether or not such Debt is assumed by the City, (g) all Guarantees by the City of Debt of other Persons and (h) all obligations of the City under any Swap Agreement; *provided that*, Debt shall not include (x) conduit debt where the City is only obligated to pay debt service from amounts received from a private conduit obligor or (y) any Debt of the City’s Water and Power, Airports or Harbor Departments.

“Default” means any event or condition which, with notice, the passage of time or any combination of the foregoing, would constitute an Event of Default.

“Default Rate” means a fluctuating interest rate per annum equal to the sum of the Base Rate from time to time in effect plus four percent (4.00%).

“Drawing” has the meaning set forth in the Letter of Credit.

“Drawing Date” means the date on which the Bank honors a Drawing and makes the funds drawn available to the Issuing and Paying Agent.

“DTC” means The Depository Trust Company and any successor or replacement thereto as securities depository.

“EMMA” means Electronic Municipal Market Access as provided by the Municipal Securities Rulemaking Board.

“Environmental Laws” means any and all federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import, and regulations thereunder, in each case as in effect from time to time. References to Sections of ERISA shall be construed also to refer to any successor Sections.

“Event of Default” with respect to this Agreement has the meaning set forth in Section 7.01 of this Agreement and, with respect to any Program Document, has the meaning assigned therein and, if not so assigned, any event of default or similar event or condition, the effect of which is to

cause, or to permit any obligee thereunder to declare, the obligations of the City thereunder to become immediately due and payable.

“Excess Interest” has the meaning set forth in Section 2.15 hereof.

“Executive Order” has the meaning set forth in Section 5.24 hereof.

“Federal Funds Rate” means, for any day, the rate per annum equal to the weighted average (rounded upward, if necessary, to a whole multiple of one hundredth of one percent) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided that*: (a) if such day is not a Business Day, then the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day; and (b) if no such rate is so published on such next succeeding Business Day, then the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of one hundredth of one percent) charged to the Bank on such day on such transactions as determined by the Bank. Each determination of the Federal Funds Rate by the Bank shall be deemed conclusive and binding on the City absent manifest error.

“Fee Letter” means that certain Second Amended and Restated Fee Letter dated the Amendment Effective Date, between the City and the Bank, as the same may be amended and supplemented from time to time.

“First Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date” means the Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date issued by the Bank on October 23, 2018, amending the Original Letter of Credit, in the form of Appendix II hereto with appropriate insertions.

“Fiscal Quarter” means each September 30, December 31, March 31, and June 30 of each Fiscal Year.

“Fiscal Year” has the meaning set forth in the Subordinate General Resolution.

“Fitch” means Fitch Ratings, Inc., and any successor rating agency.

“FRB” means the Board of Governors of the Federal Reserve System of the United States, together with any successors thereof.

“GAAP” means generally accepted accounting principles in the United States as in effect from time to time, applied by the City on a basis consistent with the City’s most recent financial statements furnished to the Bank pursuant to Section 5.06 hereof.

“Governmental Approval” means an authorization, consent, approval, license, or exemption of, registration or filing with, or report to any Governmental Authority.

“Governmental Authority” means any federal, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental,

judicial, administrative, public or statutory instrumentality, authority, body, agency, commission, bureau or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government (including any zoning authority, the Federal Deposit Insurance Corporation or the Federal Reserve Board, any central bank or any comparable authority), or any arbitrator with authority to bind a party at law.

“*Guarantee*” means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Debt or other obligation payable or performable by another Person (the “*primary obligor*”) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Debt or other obligation of the payment or performance of such Debt or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Debt or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Debt or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Debt or other obligation of any other Person, whether or not such Debt or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Debt to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term “*Guarantee*” as a verb has a corresponding meaning.

“*Incorporated Provisions*” has the meaning set forth in Section 6.08 hereof.

“*Interest Payment Date*” means the first Business Day of each calendar month.

“*Investment Policy*” means the investment policy of the City applicable to the System delivered to the Bank, pursuant to Section 4.01(g) hereof.

“*Issuing and Paying Agent Agreement*” has the meaning set forth in the recitals hereof.

“*Issuing and Paying Agent*” has the meaning set forth in the recitals hereof.

“*Letter of Credit*” means the Amended Original Letter of Credit, as amended by the Second Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date, and as from time to time further amended and supplemented pursuant to its terms.

“*Letter of Credit Expiration Date*” means October 30, 2024, the date set forth in the Letter of Credit as the date on which the Letter of Credit is stated to expire, as the same may be extended pursuant to Section 2.12 hereof. For the avoidance of doubt, the defined term “*Termination Date*” as used in the Supplemental Resolution, the Issuing and Paying Agent Agreement and any Dealer Agreement, shall mean the Letter of Credit Expiration Date.

“Letter of Credit Fees” has the meaning set forth in the Fee Letter.

“Letter of Credit Fee Rate” has the meaning set forth in the Fee Letter.

“Laws” means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“Lien” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

“Margin Stock” has the meaning ascribed to such term in Regulation U promulgated by the FRB, as now and hereafter from time to time in effect.

“Material Adverse Change” or *“Material Adverse Effect”* means the occurrence of any event or change which results in (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of the System or the Revenues; (b) a material impairment of the ability of the City to perform its obligations under any Program Document to which it is a party; (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the City of any Program Document to which it is a party; or (d) a material adverse change in, or a material adverse effect upon, in the rights, security, interest or remedies available to the Bank under this Agreement or any other Program Document.

“Maximum CP Rate” means the lesser of (a) 10% per annum, and (b) the maximum rate of interest permitted by applicable Law.

“Maximum Rate” means the maximum non-usurious lawful rate of interest permitted by applicable Law.

“Measure H Ordinance” has the meaning set forth in Section 8.03 hereof.

“Measure H Subcontract” has the meaning set forth in Section 8.03 hereof.

“Moody’s” means Moody’s Investors Service, Inc., and any successor rating agency.

“No Default Certificate” means a certificate substantially in form of Exhibit H hereto.

“Notes” has the meaning set forth in the A&R First Supplemental Resolution.

“*Obligations*” means the Reimbursement Obligations (which includes amounts owing to the Bank evidenced by the Bank Note), the Letter of Credit Fees, the obligations of the City to pay all fees, charges and expenses payable hereunder, under the Fee Letter and under the Bank Note, and all other payment obligations of the City owed to the Bank arising under or in relation to this Agreement, the Fee Letter and the Bank Note.

“*OFAC*” has the meaning set forth in Section 5.24 hereof.

“*Offering Memorandum*” means the Commercial Paper Offering Memorandum delivered by the City in connection with the issuance or sale of Commercial Paper Notes on or after the Amendment Effective Date, and any supplements and amendments thereto.

“*Original Agreement*” has the meaning set forth in the recitals hereof.

“*Original Letter of Credit*” means the irrevocable transferable direct pay letter of credit issued by the Bank on December 17, 2015 for the account of the City in favor of the Issuing and Paying Agent supporting the Commercial Paper Notes, in the form of Appendix I hereto with appropriate insertions.

“*Original Closing Date*” means December 1, 2015, which, subject to the satisfaction of the conditions precedent set forth in Section 4.01, is the date on which the Original Letter of Credit was issued pursuant to the Original Agreement.

“*Original Stated Amount*” has the meaning set forth in the recitals hereof.

“*Parity Debt*” means any Debt issued or incurred by or on behalf of the City and secured on a parity with the Lien on Revenues securing the payment of the principal of the Commercial Paper Notes and the Reimbursement Obligations under this Agreement.

“*Participant*” has the meaning set forth in Section 9.03(b) hereof.

“*Participant/Subcontractor Notice*” has the meaning set forth in Section 8.03 hereof.

“*Patriot Act*” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Title III of Pub. L. 107 56 (signed into law October 26, 2001).

“*Payment Office*” means Barclays Bank PLC, New York Branch, ABA Number: 026 002-574, Account Number: 050-019-104, Reference: City of Los Angeles Wastewater, Letter of Credit No. SB-02224, or such other office or account as the Bank may designate in writing from time to time to the City.

“*Person*” means any individual, corporation, not for profit corporation, partnership, limited liability company, joint venture, association, professional association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other form of entity.

“*Plan*” means a pension plan providing benefits for employees of any Person.

“Prime Rate” means, for any day, the rate per annum established by the Bank from time to time as its *“prime rate”* for U.S. dollar loans, or its equivalent, as is in effect on such day, any change in such rate to be effective on the date such change is effective for the Bank’s purposes, it being understood that such rate shall not necessarily be the best or lowest rate of interest available to the Bank’s best or most preferred prime, large commercial customers. Each determination of the Prime Rate by the Bank shall be conclusive and binding on the City absent manifest error. The Prime Rate is a reference rate only, and the Bank may make loans from time to time at interest rates above, equal to or below the Prime Rate.

“Principal” means, with respect to the Bank or a Participant or a Subcontractor, each of the following: (i) the chairman/chairwoman of the Bank’s or Participant’s or Subcontractor’s (as applicable) Board of Directors; (ii) each of the Bank’s or the Participant’s or Subcontractor’s (as applicable) president, chief executive officer, and chief operating officer (and the functional equivalent of each such position); (iii) any individual who holds an ownership interest in the Bank or the Participant or the Subcontractor (as applicable) of twenty percent or more; (iv) any individual employee of the Bank described in Section 49.7.30.A.8.(c) of the Los Angeles Municipal Code and identified on a disclosure form submitted on the Amendment Effective Date pursuant to the Measure H Ordinance, which as of the Amendment Effective Date is titled “Bidder Contributions CEC Form 55”; and (v) any individual employee of the Participant or Subcontractor (as applicable) described in Section 49.7.30.A.8.(c) of the Los Angeles Municipal Code and identified on a disclosure form submitted by such Participant or Subcontractor (as applicable) pursuant to the Measure H Ordinance.

“Prior Amended and Restated Agreement” has the meaning set forth in the introductory paragraph hereof.

“Program Documents” means this Agreement, the Letter of Credit, the Fee Letter, the Bank Note, the Issuing and Paying Agent Agreement, each Dealer Agreement, the Commercial Paper Notes, the Senior Lien Resolution, the Subordinate General Resolution, the Supplemental Resolution and any documents related thereto, and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing in accordance with the terms thereof and hereof.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, whether now owned or hereafter acquired.

“Rating” means the long term unenhanced debt ratings assigned by any of Moody’s, S&P or Fitch to Parity Debt.

“Rating Agencies” means Fitch, Moody’s and S&P.

“Rating Documentation” has the meaning set forth in Section 4.01(k) hereof.

“Reduction in Amount” has the meaning set forth in Section 2.14 hereof.

“Reimbursement Obligations” means any and all obligations of the City to reimburse the Bank for any Drawings under the Letter of Credit and all obligations to repay the Bank for any Advance, including in each instance all interest accrued thereon.

“*Resolution*” has the meaning set forth in the recitals hereof.

“*Responsible Officer*” has the meaning set forth in Section 2.14(a).

“*Revenues*” has the meaning set forth in the Senior Lien Resolution and the Subordinate General Resolution.

“*Revised Stated Amount*” has the meaning set forth in Section 2.01 hereof.

“*Revised Tier Two Termination Date*” has the meaning set forth in Section 3.02(a) hereof.

“*Revised Tier Two Termination Notice*” means the written notice, in the form attached as Annex J to the Letter of Credit, given by the Bank to the City and the Issuing and Paying Agent pursuant to Section 3.02(c) hereof.

“*S&P*” means S&P Global Ratings, and any successor rating agency.

“*SCM Fund*” has the meaning set forth in the Subordinate General Resolution.

“*Second Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date*” means the Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date issued by the Bank on October 15, 2021, amending the Amended Original Letter of Credit, in the form of Appendix III hereto with appropriate insertions.

“*Senior Debt*” means any Debt issued or incurred by or on behalf of the City and secured on a basis senior to the Lien on Revenues securing the payment of the Commercial Paper Notes and the Obligations.

“*Senior Lien Bonds*” has the meaning set forth in the Subordinate General Resolution.

“*State*” means the State of California.

“*Stated Amount*” means, as of any date, the maximum amount which by the terms of the Letter of Credit is available to be drawn under the Letter of Credit as of such date.

“*Subcontractor*” means a Person, other than the Bank or an employee of the Bank, who is expected to receive at least \$100,000 as a result of performing some or all of the Bank’s obligations hereunder.

“*Subordinate Bonds*” has the meaning set forth in the Subordinate General Resolution.

“*Subordinate General Resolution*” means the Wastewater System Subordinate Revenue Bonds General Resolution, adopted March 26, 1991, as heretofore amended and supplemented and as amended and supplemented from time to time in accordance with the terms thereof and the terms hereof.

“*Supplemental Resolution*” has the meaning set forth in the recitals hereof.

“*Swap Agreement*” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “*Master Agreement*”), including any such obligations or liabilities under any Master Agreement.

“*System*” has the meaning set forth in the Subordinate General Resolution.

“*Tax-Exempt Commercial Paper Notes*” means Commercial Paper Notes for which an opinion of Bond Counsel relating to the exclusion of the interest thereof from gross income for purposes of federal income taxation has been delivered.

“*Termination Date*” has the meaning set forth in the Letter of Credit.

“*Term Out Commencement Date*” means, with respect to each Advance, the earlier of (i) the ninety-first (91st) day immediately succeeding the date the related Advance was made and (ii) the Letter of Credit Expiration Date.

“*Tier One Final Drawing Notice*” has the meaning set forth in the Letter of Credit.

“*Tier One Stop Issuance Instruction*” means the written instruction, in the form attached as Exhibit A hereto, given by the Bank to the City and the Issuing and Paying Agent pursuant to Section 3.02(b) hereof or Section 7.02(b) hereof.

“*Tier Two Termination Date*” has the meaning set forth in Section 3.02(a) hereof.

“*Tier Two Termination Notice*” means the written notice, in the form attached as Annex I to the Letter of Credit, given by the Bank to the City and the Issuing and Paying Agent pursuant to Section 3.02(c) hereof.

“*Trust Assets*” has the meaning set forth in Section 2.16.

“*Underlying Provisions*” has the meaning set forth in Section 6.08.

“*Use of Criminal History Provisions*” has the meaning set forth in Section 8.04.

The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms. Any capitalized terms used herein which are not specifically defined herein shall have the same meanings herein as in the Resolution and the Issuing and Paying Agent

Agreement. All references in this Agreement to times of day shall be references to New York City time unless otherwise expressly provided herein. Unless otherwise inconsistent with the terms of this Agreement, all accounting terms shall be interpreted and all accounting determinations hereunder shall be made in accordance with GAAP.

ARTICLE II.

LETTER OF CREDIT

Section 2.01. Issuance of Original Letter of Credit; Issuance of First Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date; Issuance of Second Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date. Upon fulfillment of the conditions precedent set forth in the Original Agreement and on the terms and conditions set forth in the Original Agreement, the Bank issued the Original Letter of Credit (substantially in the form of Appendix I hereto). Upon fulfillment of the conditions precedent set forth in the Prior Amended and Restated Agreement and on the terms and conditions set forth in the Prior Amended and Restated Agreement, the Bank issued the First Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date (substantially in the form of Appendix II hereto). Upon fulfillment of the conditions precedent set forth in Section 4.01 and on the terms and conditions set forth herein, the Bank agrees to issue the Second Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date (substantially in the form of Appendix III hereto), which shall cause the Letter of Credit to be in the stated amount of \$124,000,000 (calculated as the sum of the maximum principal amount of the Commercial Paper Notes supported by the Letter of Credit (i.e., \$120,000,000) plus interest thereon at a maximum rate of ten percent (10%) per annum for a period of one hundred twenty (120) days calculated on the basis of a year of 360 days) (the “*Revised Stated Amount*”).

Section 2.02. Letter of Credit Drawings. The Issuing and Paying Agent is authorized to make Drawings under the Letter of Credit in accordance with its terms. The City hereby directs the Bank to make payments under the Letter of Credit in the manner therein provided. The City hereby irrevocably approves reductions and reinstatements of the Stated Amount with respect to the Letter of Credit as provided in the Letter of Credit.

Section 2.03. Reimbursement of Certain Drawings Under the Letter of Credit; Mandatory Prepayment; Interest. (a)(i) Each Drawing made under the Letter of Credit shall constitute an advance (“Advance”) to the City at the time of payment by the Bank of such Drawing under the Letter of Credit.

(ii) The City promises to pay to the Bank the portion of each Advance corresponding to the interest amount on the Commercial Paper Notes on the date the related Drawing is honored by the Bank.

(iii) Subject to Section 2.03(a)(v), the City promises to pay or cause to be paid to the Bank the portion of each Advance corresponding to the principal amount of the Commercial Paper Notes on the earliest to occur of (A) the date on which a substitute Credit Facility becomes effective in substitution of the Letter of Credit with respect to the Commercial Paper Notes, (B) the date on which the Stated Amount is permanently reduced

to zero or the Letter of Credit is otherwise terminated in accordance with its terms (other than as a result of the Letter of Credit terminating on the Letter of Credit Expiration Date), including as a result of the occurrence of an Event of Default, (C) the end of the term of the Commercial Paper Program in respect of the Commercial Paper Notes as determined in accordance with the Resolution and the Issuing and Paying Agent Agreement, and (D) subject to the provisions of Section 4.02 hereof, the related Term Out Commencement Date; provided that in the event the conditions precedent set forth in Section 4.02 hereof are satisfied on the Term Out Commencement Date, the principal portion of the related Advance shall be payable by the City as set forth in Section 2.03(v) hereof.

(iv) Subject to Section 2.10 hereof, the City also promises to pay to the Bank interest on the unpaid principal amount of each Advance from the date such Advance is made until it is paid in full as provided herein, at a rate per annum equal to the Bank Rate from time to time in effect, and such interest shall be payable by the City monthly in arrears on the first Business Day of each calendar month for the immediately preceding calendar month (commencing on the first Interest Payment Date to occur after the making of the related Advance), and on the date that the final principal or interest portion of such Advance is payable as herein provided.

(v) Unless otherwise paid in full on one of the dates provided above or prepaid pursuant to Section 2.03(b) and (c) hereof, if all of the conditions precedent set forth in Section 4.02 hereof are satisfied on the Term Out Commencement Date, the principal portion of each Advance shall be payable by the City in equal semi-annual installments ("*Semi-Annual Principal Payments*") commencing on the first Business Day of the sixth calendar month immediately succeeding the date such Advance is made, and on the first Business Day of each sixth calendar month thereafter, with the final installment in an amount equal to the entire then outstanding principal amount of such Advance due and payable by the City on the Amortization End Date (the period commencing on the date such installment is initially payable and ending on the Amortization End Date is referred to as the "*Amortization Period*"). Each Semi-Annual Principal Payment shall be that amount of principal which will result in equal (as nearly as possible) aggregate Semi-Annual Principal Payments over the applicable Amortization Period.

(b) Any Advance may be prepaid in whole or in part on the day such Advance is made. Any Advance may be prepaid in whole or in part without premium or penalty on any other Business Day upon one Business Day's prior written notice to the Bank.

(c) Subject to Section 2.06 hereof, upon the Bank's receipt of any payment or prepayment of any Advance, the amount of such Advance shall be reduced by the amount of such payment or prepayment.

(d) All Reimbursement Obligations shall be made against and evidenced by the City's second amended and restated promissory note payable to the order of the Bank in the principal amount of the Revised Stated Amount, such note to be executed by the City and delivered by the City to the Bank on the Amendment Effective Date in the form of Exhibit B attached hereto with appropriate insertions (the "*Bank Note*"), replacing the City's amended and restated promissory note payable to the order of the Bank previously executed and delivered by the City to the Bank

on the Closing Date in the form of Exhibit B attached to the Prior Amended and Restated Agreement with appropriate insertions. All Reimbursement Obligations due and owing to the Bank and all payments and prepayments on the account of the principal of and interest on each Reimbursement Obligation by or on behalf of the City shall be recorded by the Bank on its books and records, which books and records shall, absent manifest error, be conclusive as to amounts due and owing by the City hereunder, under the Fee Letter and under the Bank Note. The Bank may, but shall not be required to, complete the schedule attached to the Bank Note to reflect the making and status of unreimbursed Drawings and outstanding Advances due and owing hereunder and thereunder; *provided* that the failure to make or any error in making any such endorsement on such schedule shall not limit, extinguish or in any way modify the obligation of the City to repay unreimbursed Drawings, outstanding Advances or Reimbursement Obligations. The City shall pay principal and interest on the Bank Note on the dates and at the rates provided for in Sections 2.03 and 2.04 hereof. The City shall, without duplication (i) make a principal payment on the Bank Note on each date on which the City is required to make a principal payment on a Reimbursement Obligation in an amount equal to the principal payment due on such date and (ii) pay interest on the Bank Note on each date on which the City is required to make an interest payment with respect to a Reimbursement Obligation in an amount equal to the interest payment due on such date. The payment of the principal of and interest on the Bank Note shall constitute payment of the principal of and interest on the related Reimbursement Obligation and the payment of the principal of and interest on the Reimbursement Obligation shall constitute the payment of and principal and interest on the Bank Note and the failure to make any payment on any Reimbursement Obligation when due shall be a failure to make a payment on the Bank Note and the failure to make any payment on the Bank Note when due shall be a failure to make a payment on the Reimbursement Obligation.

Section 2.04. Reimbursement of Certain Advances on Term Out Commencement Date. Unless the conditions precedent contained in Section 4.02 hereof are satisfied on the Term Out Commencement Date, the City agrees to reimburse the Bank for the full amount of such Advance on the Term Out Commencement Date. If the conditions precedent contained in Section 4.02 hereof are not satisfied on the Term Out Commencement Date and the City does not make such reimbursement to the Bank with respect to the related Advance on such date, such Reimbursement Obligation shall bear interest at the Default Rate and be payable by the City upon demand.

Section 2.05. Fees. The City hereby agrees to perform the obligations provided for in the Fee Letter, including, without limitation, the payment of any and all fees, expenses and other amounts provided for therein, at the times and in the amounts set forth in the Fee Letter. Without limiting the generality of the foregoing, in the event that the Letter of Credit is terminated or the Stated Amount is reduced and is not subject to reinstatement, the City shall pay to the Bank the fees and expenses, if any, at the times and in the amounts set forth in and as required by the Fee Letter. The terms and provisions of the Fee Letter are hereby incorporated herein by reference as if fully set forth herein. All references to amounts or obligations due hereunder or in this Agreement shall be deemed to include all amounts and obligations (including without limitation all fees and expenses) under the Fee Letter. All fees paid under this Agreement and the Fee Letter shall be fully earned when due and nonrefundable when paid.

Section 2.06. Method of Payment; Etc. All payments to be made by the City under this Agreement and the Fee Letter shall be made at the Payment Office of the Bank, not later than 3:30

p.m., New York City time, on the date when due and shall be made by wire transfer in lawful money of the United States of America in freely transferable and immediately available funds. Any payment received by the Bank after 3:30 p.m., New York City time, shall be deemed to have been received by the Bank on the next Business Day.

Section 2.07. Termination of Letter of Credit by the City. Notwithstanding any provisions of this Agreement, the Letter of Credit or any Program Document to the contrary, the City agrees not to terminate the Letter of Credit except upon (i) the payment by the City to the Bank of the fees and expenses, if any, in the amount set forth in the Fee Letter, (ii) the payment to the Bank of all fees, expenses and other Obligations payable hereunder and under the Fee Letter, including, without limitation, all principal and accrued interest due and owing on any Drawing or Advances or any amount due under the Bank Note and (iii) the City providing the Bank with thirty (30) days prior written notice of its intent to terminate the Letter of Credit. All payments from the City to the Bank referred to in this Section 2.07 shall be made with immediately available U.S. Dollars on or before the date of termination.

Section 2.08. Computation of Interest and Fees. Fees payable hereunder and under the Fee Letter shall be calculated on the basis of a year of 360 days and the actual number of days elapsed. All computations of interest payable by the City under this Agreement shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual number of days elapsed. Interest shall accrue during each period during which interest is computed from and including the first day thereof to but excluding the last day thereof.

Section 2.09. Payment Due on Non Business Day To Be Made on Next Business Day. If any sum becomes payable pursuant to this Agreement or the Fee Letter on a day which is not a Business Day, the date for payment thereof shall be extended, without penalty, to the next succeeding Business Day, and such extended time shall be included in the computation of interest and fees.

Section 2.10. Late Payments. If the principal amount of any Obligation is not paid when due, such Obligation shall bear interest until paid in full at a rate per annum equal to the Default Rate, payable by the City upon demand.

Section 2.11. Source of Funds. All payments made by the Bank pursuant to the Letter of Credit shall be made from funds of the Bank, and not from the funds of any other Person.

Section 2.12. Extension of Letter of Credit Expiration Date. If the City on any date not earlier than one hundred eighty (180) days and not later than ninety (90) days prior to the then current Letter of Credit Expiration Date, submits to the Bank a written request for an extension of the Letter of Credit Expiration Date in the form of Exhibit C hereto for a period as specified in such written request, the Bank will make reasonable efforts to respond to such request within thirty (30) days after receipt of all information necessary, in the Bank's reasonable judgment, to permit the Bank to make an informed credit decision. In the event the Bank fails to definitively respond to such request within such period of time, the Bank shall be deemed to have refused to grant the extension requested. The Bank may, in its sole and absolute discretion, decide to accept or reject any such proposed extension and no extension shall become effective unless the Bank shall have consented thereto in writing. The consent of the Bank, if granted, shall be conditioned upon the

preparation, execution and delivery of documentation in form and substance reasonably satisfactory to the Bank and consistent with this Agreement and the Letter of Credit. If such an extension request is accepted by the Bank in its sole and absolute discretion, the then current Letter of Credit Expiration Date shall be extended to the date agreed to by the City and the Bank.

Section 2.13. Net of Taxes, Etc.

(a) Taxes. Any and all payments to the Bank by the City hereunder and under the Fee Letter shall be made free and clear of and without deduction for any and all taxes, levies, imposts, deductions, charges, withholdings or liabilities imposed thereon by any jurisdiction, taxing authority or taxing jurisdiction in which the Bank is organized, has its principal place of business, is managed and controlled or from which or through which payments to or from the Bank are made (each a “*Taxing Jurisdiction*”) excluding, however, taxes imposed on or measured by the net income or capital of the Bank by any jurisdiction or any political subdivision thereof or any other taxing authority solely as a result of a connection between the Bank and such jurisdiction or political subdivision (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as “*Taxes*”). If the City shall be required by Law to withhold or deduct any Taxes imposed by any Taxing Jurisdiction from or in respect of any sum payable hereunder or under the Fee Letter to the Bank, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.13), the Bank receives an amount equal to the sum it would have received had no such deductions been made; (ii) the City shall make such deductions; and (iii) the City shall pay the full amount deducted to the relevant Taxing Jurisdiction in accordance with applicable Law. If the City shall make any payment under this Section 2.13 to or for the benefit of the Bank with respect to Taxes and if the Bank shall claim any credit or deduction for such Taxes against any other taxes payable by the Bank to any Taxing Jurisdiction then the Bank shall pay to the City an amount equal to the amount by which such other taxes are actually reduced; *provided* that the aggregate amount payable by the Bank pursuant to this sentence shall not exceed the aggregate amount previously paid by the City with respect to such Taxes. In addition, the City agrees to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under any Taxing Jurisdiction from any payment made hereunder or under the Fee Letter or from the execution or delivery or otherwise with respect to this Agreement (hereinafter referred to as “*Other Taxes*”). The Bank shall provide to the City within a reasonable time a copy of any written notification it receives with respect to Taxes or Other Taxes owing by the City to the Bank hereunder; provided that the Bank’s failure to send such notice shall not relieve the City of its obligation to pay such amounts hereunder. The City may conduct a reasonable contest of any such Taxes with the prior written consent of the Bank which consent shall not be unreasonably withheld, provided that the City shall have first paid to the Bank all amounts owing under this Section 2.13(a) (including any amounts subject to such contest); and further provided that the Bank shall promptly return to the City, after demand, such amounts so paid if the City prevails in any such contest.

(b) Indemnity. The City shall, to the fullest extent permitted by Law and subject to the provisions hereof, indemnify the Bank for the full amount of Taxes and Other Taxes including any Taxes or Other Taxes imposed by any Taxing Jurisdiction on amounts payable under this Section 2.13 paid by the Bank or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or

legally asserted; *provided* that the City shall not be obligated to indemnify the Bank for any penalties, interest or expenses relating to Taxes or Other Taxes arising from the Bank's gross negligence or willful misconduct. The Bank agrees to give notice to the City of the assertion of any claim against the Bank relating to such Taxes or Other Taxes as promptly as is practicable after being notified of such assertion; *provided* that the Bank's failure to notify the City promptly of such assertion shall not relieve the City of its obligation under this Section 2.13. Payments by the City pursuant to this indemnification shall be made within sixty (60) days from the date the Bank makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. The Bank agrees to repay to the City any refund (including that portion of any interest that was included as part of such refund) with respect to Taxes or Other Taxes paid by the City pursuant to this Section 2.13 received by the Bank for Taxes or Other Taxes that were paid by the City pursuant to this Section 2.13 and to contest, with the cooperation and at the expense of the City, any such Taxes or Other Taxes which the Bank or the City reasonably believes not to have been properly assessed. This paragraph shall not be construed to require the Bank to make available its tax returns (or any other information relating to its Taxes that it deems confidential) to the City or any other Person.

(c) Notice. Within thirty (30) days after the date of any payment of Taxes or Other Taxes by the City, the City shall furnish to the Bank, the original or a certified copy of a receipt evidencing payment thereof.

(d) Survival of Obligations. The obligations of the City under this Section 2.13 shall survive the termination of this Agreement.

Section 2.14. Increased Costs. (a) If the Bank or any Participant shall have determined that the adoption or implementation of, or any change in, any law, rule, treaty, regulation, policy, guideline, supervisory standard or directive of, or any change in the interpretation, implementation, or administration thereof by, any Governmental Authority (in each case, whether or not having the force of law), or compliance by the Bank or any Participant with any request by or directive of any Governmental Authority (in each case, whether or not having the force of law), including but not limited to any such law, rule, regulation, policy, guideline, standard, directive, interpretation, application or promulgation implementing, invoking or in any way related to any provision of the Dodd-Frank Wall Street Reform and Consumer Protection Act (or any other statute referred to therein or amended thereby), regardless of the date enacted, adopted or issued, or any rules, guidelines, standards, policies, regulations, or directives promulgated by the Basel Committee on Banking Supervision or the Bank for International Settlements (or any successor or similar organizations), regardless of the date enacted, adopted or issued, shall:

(i) change the basis of taxation of payments to the Bank or such Participant of any amounts payable hereunder or under the Fee Letter (except for taxes on the overall net income of the Bank or such Participant); or

(ii) impose, modify or deem applicable any reserve, liquidity, capital or liquidity ratio, special deposit, insurance premium, fee, financial charge, monetary burden or similar requirement against funding any Drawing under the Letter of Credit or maintaining the Letter of Credit, or making any Advance under, or complying with any

term of, this Agreement, or against assets held by, or deposits with or for the account of, the Bank or such Participant; or

(iii) impose on the Bank or such Participant any other condition, expense or cost regarding this Agreement, any Drawings or Advances, or the Letter of Credit;

and the result of any event referred to in clause (i), (ii) or (iii) above shall be to increase the cost to the Bank or such Participant of funding any Drawing under the Letter of Credit or maintaining the Letter of Credit, or making any Advance under, or complying with any term of, this Agreement or the Letter of Credit or to reduce the amount of any sum received or receivable by the Bank or such Participant hereunder or under the Fee Letter (each such instance, referred to individually herein as a "*Reduction in Amount*" and, collectively as "*Reductions in Amount*"), then the City shall pay to the Bank at such time and in such amount as is set forth in paragraph (c) of this Section 2.14, such additional amount or amounts as will compensate the Bank or such Participant for such increased costs or Reductions in Amount.

The Bank or Participant (as the case may be) shall use commercially reasonable efforts to provide to the City, as soon as reasonably practicable after a Responsible Officer (as hereinafter defined) has actual knowledge that the Bank or Participant (as the case may be) has determined to demand additional compensation under this Section 2.14(a) and the amount thereof, written notice of the occurrence or expected occurrence of any event referred to in clause (i), (ii) or (iii) above, setting forth in reasonable detail the amount or amounts of such additional compensation (such notice, a "*Yield Protection Demand Notice*") and the date or anticipated date upon which the Bank or Participant is demanding or expects to make such demand upon the City. Subject to the third full paragraph of Section 2.14(c) hereof, in the event that the City pays all outstanding Obligations and effects the termination of the Letter of Credit (the date of such payment and termination, the "*Section 2.14 Termination Date*"), then the City shall not be obligated to pay any compensation set forth in such Yield Protection Demand Notice for any increased costs or Reductions in Amount incurred or suffered during, or relating to, any period after the Section 2.14 Termination Date. The City and the Bank agree that the intent of this provision is solely to assist the City in managing its financing costs and that the Bank shall have no liability of any kind for failure to timely provide a Yield Protection Demand Notice. All such amounts will be payable as set forth in Section 2.14(c) hereof. As used in this provision, "*Responsible Officer*" means the officer of the Bank to whom notices to the Bank are required to be addressed under Section 9.02.

Notwithstanding the foregoing, a failure or delay by the Bank or any Participant to deliver to the City a Yield Protection Demand Notice shall in no event relieve the obligation of the City of any obligation under this Section 2.14(a). Additionally, nothing set forth in this Section 2.14(a) shall limit the obligation of the City to pay to the Bank any increased cost imposed upon the Bank related to any event referred to in clause (i), (ii) or (iii) of this Section 2.14(a).

(b) If the Bank or any Participant shall have determined that the adoption or implementation of, or any change in, any law, rule, treaty, regulation, policy, guideline, supervisory standard or directive of, or any change in the interpretation, implementation, or administration thereof by, any Governmental Authority (in each case whether or not having the force of law), or compliance by the Bank or any Participant with any request by or directive of any

Governmental Authority (in each case, whether or not having the force of law), including but not limited to any such law, rule, regulation, policy, guideline, standard, directive, interpretation, application or promulgation implementing, invoking or in any way related to any provision (as now or hereafter amended) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (or any other statute referred to therein or amended thereby) or any rules, guidelines, standards, or directives promulgated by the Basel Committee on Banking Supervision or the Bank for International Settlements (or any successor or similar organizations), shall impose, modify or deem applicable any capital or liquidity (including but not limited to contingent capital or liquidity) adequacy, reserve, insurance, liquidity or similar requirement (including, without limitation, a request or requirement that affects the manner in which the Bank or any Participant allocates capital or liquidity resources or reserves to its commitments) that either:

(i) affects or would affect the amount of capital or liquidity or reserves to be maintained by the Bank or such Participant, or

(ii) reduces or would reduce the rate of return on the Bank's or such Participant's capital or liquidity or reserves to a level below that which the Bank or such Participant could have achieved but for such circumstances (taking into consideration the policies of the Bank or such Participant with respect to capital or liquidity adequacy or the maintenance of reserves) then,

then the Bank or Participant (as the case may be) shall use commercially reasonable efforts to provide to the City, as soon as reasonably practicable after its Responsible Officer (as hereinafter defined) has actual knowledge that the Bank has determined to demand additional compensation for such reduction under this Section 2.14(b) and the amount thereof, written notice of the occurrence or expected occurrence of any event referred to in clause (i) or (ii), setting forth in reasonable detail the amount or amounts of such additional compensation (such notice, a "*Capital or Liquidity Adequacy Demand Notice*") and the date or anticipated date upon which the Bank or Participant is demanding or expects to make such demand upon the City. Subject to the third full paragraph of Section 2.14(c) hereof, in the event that the City pays all outstanding Obligations and effects the termination of the Letter of Credit, then the City shall not be obligated to pay any compensation set forth in such Capital or Liquidity Adequacy Demand Notice for any such reduction incurred or suffered during, or relating to, any period after the Section 2.14 Termination Date. The City and the Bank agree that the intent of this provision is solely to assist the City in managing its financing costs and that the Bank shall have no liability of any kind for failure to timely provide a Capital or Liquidity Adequacy Demand Notice. All such amounts will be payable as set forth in Section 2.14(c) hereof.

Notwithstanding the foregoing, (i) a failure or delay by the Bank or any Participant to deliver to the City a Capital or Liquidity Adequacy Demand Notice shall in no event relieve the obligation of the City of any obligation under this Section 2.14(b). Additionally, nothing set forth in this Section 2.14(b) shall limit the obligation of the City to pay to the Bank any increased cost imposed upon the Bank related to any event referred to in clause (i) or (ii) of this Section 2.14(b).

(c) All payments of amounts referred to in this Section 2.14 shall be paid by the City, subject to Section 2.10 hereof, to the Bank, for its own account, or to the Participant for the account of such Participant, as applicable, within sixty (60) days of the date the Bank or Participant makes

demand therefor on the City; *provided that*, subject to the following proviso, any increased costs in excess of the product of twenty basis points (0.20%) times the Revised Stated Amount shall be paid by the City, subject to Section 2.10 hereof, to the Bank, for its own account, or to the Participant for the account of such Participant, as applicable, within one hundred twenty (120) calendar days of the date the Bank or the Participant, as applicable, makes demand therefor on the City; *provided further* that to the extent a particular amount of increased costs in excess of the product of twenty basis points (0.20%) times the Revised Stated Amount is expected to be an ongoing obligation of the City (referred to herein as “*Recurring Increased Costs*”) as determined by the Bank or the Participant, as applicable, in a written notice from the Bank or the Participant, as applicable, to the City, then after the first payment of such Recurring Increased Costs pursuant to the immediately preceding proviso, subsequent payments of such Recurring Increased Costs shall be due and payable within sixty (60) days of the date the Bank or Participant makes demand therefor on the City or on such recurring payment date as otherwise agreed to in writing by the Bank and the City.

The amounts demanded in the respective Yield Protection Demand Notice or Capital or Liquidity Adequacy Demand Notice or any other written notice from the Bank to the City making a demand on the City for the payment of increased costs or Reductions in Amount pursuant to this Section 2.14, as applicable, are intended to compensate the Bank or Participant, as applicable, for such increased costs or Reductions in Amount incurred by the Bank or such Participant as a result of any event referred to in subsections (a) or (b) above. Any Yield Protection Demand Notice or Capital or Liquidity Adequacy Demand Notice or any other written notice from the Bank to the City making a demand on the City for the payment of increased costs or Reductions in Amount pursuant to this Section 2.14 submitted by the Bank or any Participant to the City shall be conclusive as to the amount thereof absent manifest error.

The City shall not be required to compensate the Bank or any Participant pursuant to this Section 2.14 in respect of a period occurring more than six (6) months prior to the date the above described written demand is given to the City with respect thereto (the “*Cut-Off Date*”), except where (i) the Bank or Participant, as applicable, had no actual knowledge of the action resulting in such increased costs, increased capital or liquidity or Reduction in Amount, as applicable, as of the Cut-Off Date or (ii) such increased costs, increased capital or liquidity or Reduction in Amount apply to the Bank or Participant retroactively to a date prior to the Cut-Off Date.

In making the determinations contemplated by any Yield Protection Demand Notice or Capital or Liquidity Adequacy Demand Notice or any other written notice from the Bank to the City making a demand on the City for the payment of increased costs or Reductions in Amount pursuant to this Section 2.14, the Bank or Participant may make and shall include in such notice such reasonable estimates, assumptions, allocations and the like that the Bank or Participant in good faith determines to be appropriate. For purposes of this Section 2.14, the term “*Bank*” or “*Participant*” as applicable, shall also include any entity controlling the Bank or Participant or the holding company thereof. For purposes of the immediately preceding sentence, “controlling” means the power to direct the management and policies of the Bank, directly or indirectly, whether through the ownership of voting rights, membership, the power to appoint members, trustees or directors, by contract or otherwise. The obligations of the City under this Section 2.14 shall survive the termination of this Agreement, the Letter of Credit and repayment of all Obligations hereunder and under the Fee Letter.

Notwithstanding anything to the contrary in this Section 2.14 to the contrary, in the event the Bank grants any participation to any Participant, no such Participant shall be entitled to receive payment pursuant to this Section 2.14 in an amount greater than the amount which would have been payable had the Bank not granted a Participation to such Participant and the City's liability to any Participant shall not in any event exceed that liability which the City would owe to the Bank but for such participation.

Section 2.15. Maximum Rate; Payment of Fee. If the rate of interest payable hereunder or under the Fee Letter shall exceed the Maximum Rate for any period for which interest is payable, then (a) interest at the Maximum Rate shall be due and payable with respect to such interest period; and (b) interest at the rate equal to the difference between (i) the rate of interest calculated in accordance with the terms hereof without regard to the Maximum Rate and (ii) the Maximum Rate (the "*Excess Interest*"), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof or the Fee Letter, if applicable, ceases to exceed the Maximum Rate, at which time the City shall pay to the Bank, with respect to amounts then payable to the Bank that are required to accrue interest hereunder or under the Fee Letter, as applicable, such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Bank to equal the Maximum Rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder and under the Fee Letter, as applicable, until all deferred Excess Interest is fully paid to the Bank. Upon the termination of the Letter of Credit, in consideration for the limitation of the rate of interest otherwise payable hereunder and under the Fee Letter, the City shall pay to the Bank a fee equal to the amount of all unpaid deferred Excess Interest.

Section 2.16. Security of Obligations. (a) In order to secure the timely payment of all Reimbursement Obligations, the City hereby irrevocably pledges the Revenues and the other funds, assets and security described in the Subordinate General Resolution ("*Trust Assets*") to the Bank, which pledge of and lien on the Revenues and Trust Assets with respect to Reimbursement Obligations is on a parity with the pledge of and lien on the Revenues and Trust Assets for Subordinate Bonds set forth in the Subordinate General Resolution and subordinate only with respect to Senior Lien Bonds. This pledge of and lien on the Revenues and Trust Assets shall constitute a valid pledge of and charge and lien upon the Revenues and Trust Assets, shall immediately attach and be effective, binding, and enforceable against the City, its successors, purchasers of any of the Revenues and Trust Assets, creditors, and all others asserting rights therein to the extent set forth in, and in accordance with, the Subordinate General Resolution, irrespective of whether those parties have notice of the lien on, and pledge of the Revenues and Trust Assets and without the need for any physical delivery, recordation, filing or further act.

(b) In order to secure the timely payment of all Obligations (other than Reimbursement Obligations) and to secure the performance and observance of all of the covenants, agreements and conditions contained in this Agreement and the Program Documents to which the Bank is a party, the City hereby irrevocably pledges the Revenues and Trust Assets to the Bank, which pledge of and lien on the Revenues and Trust Assets with respect to such Obligations is subordinate only to the pledge of and lien on Revenues and Trust Assets for Reimbursement Obligations, Subordinate Bonds and Senior Lien Bonds. This pledge of and lien on the Revenues and Trust Assets shall constitute a valid pledge of and charge and lien upon the Revenues, shall immediately attach and be effective, binding, and enforceable against the City, its successors, purchasers of any of the Revenues and Trust Assets, creditors, and all others asserting rights therein to the extent set

forth in, and in accordance with, the Subordinate General Resolution and the Supplemental Resolution, irrespective of whether those parties have notice of the lien on and pledge of the Revenues and Trust Assets and without the need for any physical delivery, recordation, filing or further act.

(c) For purposes of Section 3.02 of the Subordinate General Resolution, this Reimbursement Agreement is entered into under the terms of the Subordinate General Resolution and the Reimbursement Obligations and the Bank Note and interest thereon (representing the reimbursement obligations hereunder) are “Subordinate Bonds.” The Reimbursement Obligations and the Bank Note and the interest thereon is junior and subordinate in all respects to the Senior Lien Bonds as to lien on and source and security for payment from the Revenues.

(d) The Reimbursement Obligations and the Bank Note and the interest thereon shall be and are special, limited obligations of the City and the City shall be obligated to pay the principal of and interest on the Notes solely from the Revenues and from amounts in the SCM Fund, the CP Debt Service Fund established with the Issuing and Paying Agent in accordance with the terms of the A&R First Supplemental Resolution and the CP Construction Funds into which proceeds of New Issue Commercial Paper Notes are deposited; provided that the payment of the principal of and interest on the Notes from the Revenues and from amounts in the SCM Fund shall be subordinate to the City’s obligations to make payments on the Senior Lien Bonds and to make deposits required by the Senior Lien Resolution. The general fund of the City is not liable for the payment of the Reimbursement Obligations and the Bank Note and the interest thereon. Neither the full faith and credit nor the taxing power of the City is pledged to pay the Reimbursement Obligations and the Bank Note and the interest thereon. The Reimbursement Obligations and the Bank Note and the interest thereon 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 Revenues and Trust Assets.

ARTICLE III.

COMMERCIAL PAPER NOTES OPERATIONS

Section 3.01. Issuance Generally. The City may issue Commercial Paper Notes only in accordance with the terms of and subject to the conditions set forth in the Resolution, the Issuing and Paying Agent Agreement and this Agreement.

Section 3.02. Tier One Stop Issuance Instruction; Tier One Final Drawing Notice; Tier Two Termination Notice; Revised Tier Two Termination Notice. (a) Commercial Paper Notes may be issued from time to time prior to the Letter of Credit Expiration Date in accordance herewith and with the terms of and subject to the conditions set forth in the Resolution and the Issuing and Paying Agent Agreement so long as (i) the Issuing and Paying Agent is not in receipt of a Tier One Stop Issuance Instruction then in effect given by the Bank pursuant to this Section 3.02 or Section 7.02(b) hereof and not rescinded and (ii) the Issuing and Paying Agent is not in receipt of a Tier One Final Drawing Notice in substantially the form attached to the Letter of Credit as Annex H-1. Upon the Issuing and Paying Agent’s receipt of a Tier Two Termination Notice given by the Bank pursuant to this Section 3.02 and not rescinded, no Commercial Paper Notes may be issued thereafter with a maturity later than the one hundred twentieth (120th) day

(or such earlier day as may be provided in Section 3.02(c) hereof following the date of delivery of such Tier Two Termination Notice (the “*Tier Two Termination Date*”) and on the Tier Two Termination Date, the Issuing and Paying Agent shall make the final Drawing under the Letter of Credit to provide for the payment of Commercial Paper Notes issued in accordance with the Resolution and the Issuing and Paying Agent Agreement which are outstanding and are maturing on or after the Tier Two Termination Date. Upon the Issuing and Paying Agent’s receipt of a Revised Tier Two Termination Notice given by the Bank pursuant to this Section 3.02 and not rescinded, no Commercial Paper Notes may be issued thereafter with a maturity later than the earlier of (i) the fifteenth (15th) day following receipt of the Revised Tier Two Termination Notice or (ii) any existing Tier Two Termination Date (the earlier of such dates, the “*Revised Tier Two Termination Date*”). On the Revised Tier Two Termination Date, the Issuing and Paying Agent shall make the final Drawing under the Letter of Credit to provide for the payment of Commercial Paper Notes issued in accordance with the Resolution and the Issuing and Paying Agent Agreement which are outstanding and are maturing on or after the Revised Tier Two Termination Date.

(b) The Bank may deliver a Tier One Stop Issuance Instruction in the form of Exhibit A attached hereto at any time when: (i) an Event of Default shall have occurred and be continuing; or (ii) the representations and warranties of the City set forth in Article V hereof shall, in the reasonable opinion of the Bank, no longer be true and correct in any material respect. The Bank may deliver the Tier One Final Drawing Notice at any time when an Event of Default shall have occurred and be continuing. A Tier One Stop Issuance Instruction or the Tier One Final Drawing Notice shall be effective when received by the Issuing and Paying Agent; *provided, however*, that a Tier One Stop Issuance Instruction or the Tier One Final Drawing Notice received by the Issuing and Paying Agent after 11:00 A.M. New York City time, on any day on which Commercial Paper Notes are being issued shall be effective on the next succeeding day. A Tier One Stop Issuance Instruction or the Tier One Final Drawing Notice may be given by facsimile or electronic mail transmission, confirmed in writing within twenty-four (24) hours, but the failure to so confirm such Tier One Stop Issuance Instruction or the Tier One Final Drawing Notice in writing shall not render such Tier One Stop Issuance Instruction or the Tier One Final Drawing Notice ineffective. The Bank will furnish a copy of any Tier One Stop Issuance Instruction or the Tier One Final Drawing Notice to the City and the Dealers promptly following delivery thereof to the Issuing and Paying Agent, but the failure to furnish any such copy shall not render ineffective such Tier One Stop Issuance Instruction or the Tier One Final Drawing Notice.

(c) The Bank may deliver a Tier Two Termination Notice in the form of Annex I attached to the Letter of Credit at any time when it has been determined by the Bank in its sole and absolute discretion that the Bank is unable to comply with any of the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance or the Use of Criminal History Provisions as a result of (i) any change in the Bank’s policies after the Amendment Effective Date or (ii) any adopted or enacted changes, additions, amendments or modifications to the Equal Employment Practices, the Affirmative Action Program, Child Support Provisions, the Measure H Ordinance and/or the Use of Criminal History Provisions after the Amendment Effective Date. A Tier Two Termination Notice (or Revised Tier Two Termination Notice, as applicable) shall be effective when received by the Issuing and Paying Agent; *provided, however*, that a Tier Two Termination Notice (or Revised Tier Two Termination Notice, as applicable) received by the Issuing and Paying Agent after 11:00 A.M. New York City time, on

any day on which Commercial Paper Notes are being issued shall be effective on the next succeeding day. Notwithstanding the foregoing, in the event any monetary or civil penalties are imposed on the Bank as a result of its inability to comply with one or more provisions of the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance or the Use of Criminal History Provisions as a result of (i) any change in the Bank's policies after the Amendment Effective Date or (ii) any adopted or enacted changes, additions, amendments or modifications to the Equal Employment Practices, the Affirmative Action Program, Child Support Provisions, the Measure H Ordinance and/or the Use of Criminal History Provisions after the Amendment Effective Date, then upon the Bank's delivery of a Revised Tier Two Termination Notice (in the form of Annex J attached to the Letter of Credit) setting forth a Revised Tier Two Termination Date (which may be sooner than the original Tier Two Termination Date, but in any event not sooner than the earliest to occur of (a) the 15th day following the Issuing and Paying Agent's receipt of the Revised Tier Two Termination Notice, or (b) the original Tier Two Termination Date), the Issuing and Paying Agent shall make the final Drawing under the Letter of Credit on such Revised Tier Two Termination Date to provide for the payment of Commercial Paper Notes issued in accordance with the Resolution and the Issuing and Paying Agent Agreement which are outstanding and are maturing on or after the Revised Tier Two Termination Date. A Tier Two Termination Notice or Revised Tier Two Termination Notice may be given by facsimile or electronic mail transmission, confirmed in writing within twenty-four (24) hours, but the failure to so confirm such Tier Two Termination Notice or Revised Tier Two Termination Notice in writing shall not render any such notice ineffective. The Bank will furnish a copy of any Tier Two Termination Notice or Revised Tier Two Termination Notice to the City and the Dealer promptly following delivery thereof to the Issuing and Paying Agent, but the failure to furnish any such copy shall not render ineffective such Tier Two Termination Notice or Revised Tier Two Termination Notice. Notwithstanding any provisions of this paragraph to the contrary, in the event (1) the City provides a waiver or exemption to the Bank which states that the Bank (x) is not required to comply with the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance or the Use of Criminal History Provisions, as applicable, (y) is not in violation of the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance or the Use of Criminal History Provisions, as applicable and/or (z) is not required to satisfy any monetary or civil penalties imposed on the Bank related to the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance or the Use of Criminal History Provisions, as applicable, and (2) the Bank receives a City Attorney's opinion or other opinion of counsel satisfactory to the Bank confirming the foregoing, the Bank shall immediately rescind the Tier Two Termination Notice or Revised Tier Two Termination Notice, as applicable, and such Tier Two Termination Notice or Revised Tier Two Termination Notice shall no longer be effective.

ARTICLE IV.

CONDITIONS PRECEDENT

Section 4.01. Conditions Precedent to Issuance of the Original Letter of Credit; Conditions Precedent to Issuance of the First Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date; Conditions Precedent to Issuance of Second Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date. The conditions

precedent to the Bank's issuance of the Original Letter of Credit on the Original Closing Date were as set forth in the Original Agreement. The conditions precedent to the obligation of the Bank to issue the First Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date on the Closing Date shall be as set forth in the Prior Amended and Restated Agreement. As conditions precedent to the obligation of the Bank to issue the Second Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date, the City shall provide to the Bank on the Amendment Effective Date, each in form and substance satisfactory to the Bank and the Bank's counsel, Chapman and Cutler LLP (hereinafter, "*Bank's Counsel*"): ¹

(a) Approvals. The Bank shall have received (1) executed originals of this Agreement and the Fee Letter duly executed by the City and copies of all action taken by the City (including, without limitation, the Resolution and the Issuing and Paying Agent Agreement) approving the execution and delivery by the City of this Agreement, the Fee Letter and the Bank Note, in each case, certified by an authorized official of the City as complete and correct as of the date hereof and (2) executed or certified copies, as applicable, of each of the other Program Documents (except the Commercial Paper Notes) to which the City is a party, together with a certificate of an Authorized City Representative of the City, dated the Amendment Effective Date, stating that such Program Documents and approvals are in full force and effect on the Amendment Effective Date and have not been amended, repealed, rescinded, or supplemented in any manner, except for such amendments made in accordance with the express terms of such Program Documents for which the City has provided notice to the Bank prior to the Amendment Effective Date.

(b) Certificate and Incumbency of City Officials. The Bank shall have received (1) an incumbency and specimen signature certificate of the City in respect of each of the officials who is authorized to (i) sign this Agreement, the Fee Letter and the Bank Note on behalf of the City and (ii) take actions for the City under this Agreement, the Fee Letter, the Bank Note and the other Program Documents (to which the City is a party) with respect to the Commercial Paper Notes and (2) a certificate of an Authorized City Representative of the City, dated the Amendment Effective Date, certifying that (A) each of the City's representations and warranties contained herein and the other Program Documents to which the City is a party is true and correct on and as of the Amendment Effective Date as though made on and as of such date, (B) no Default or Event of Default has occurred and is continuing or will result from the execution and delivery by the City of this Agreement, the Fee Letter or the issuance of the Letter of Credit, (C) since June 30, 2020, except as disclosed to the Bank in writing, there has been no Material Adverse Change and there has been no material adverse change in the laws, rules or regulations (or their interpretation or administration) and no material litigation is ongoing with respect to the City, in any case, that may adversely affect the consummation of the transactions contemplated hereby or by any Program Document or result in a Material Adverse Effect, (D) all conditions precedent set forth in the Resolution and the Issuing and Paying Agent Agreement with respect to issuance of any outstanding the Commercial Paper Notes shall have been satisfied and (E) the City has not received notice from the Rating Agencies that the long term unenhanced ratings of Parity Debt have been withdrawn, reduced or suspended since the dated date of the Rating Documentation.

¹ Please note that the City would like (enforceability, 3(a)(2) and disclosure) domestic and foreign opinions delivered on behalf of the Bank. The City will also need the following updated forms: Ethics Form 50, Ethics Form 55, Iran Contracting Act of 2010 Compliance Affidavit and Responsible Banking Ordinance (RBO) Form.

(c) Opinion of Bond Counsel. The Bank shall have received a written opinion of Bond Counsel, addressed to the Bank, dated the Amendment Effective Date, with respect to due authorization and enforceability of the A&R First Supplemental Resolution and the Issuing and Paying Agent Agreement, in the form and substance acceptable to the Bank. In addition, the Bank shall have received a letter from Bond Counsel authorizing the Bank to rely on the final approving opinion of Bond Counsel delivered to the City in respect of the Commercial Paper Notes.

(d) Opinion of City Attorney. The Bank shall have received a written opinion of the City Attorney, addressed to the Bank, dated the Amendment Effective Date in the form and substance agreed to by the City Attorney and the Bank, to the effect that: (i) this Agreement, the Fee Letter and the Bank Note have been duly authorized, executed and delivered by the City and are the valid and binding obligations of the City enforceable in accordance with their respective terms, except as may be limited by the valid exercise of judicial discretion and the constitutional powers of the United States of America and to valid bankruptcy, insolvency, reorganization or moratorium, fraudulent conveyance or other similar laws applicable to the City and equitable principles relating to or affecting creditors' rights generally from time to time; (ii) the execution and delivery by the City of this Agreement, the Fee Letter and the Bank Note does not violate the constitution or laws of the State; and (iii) the City Council on behalf of the City has taken all actions, and has obtained any approvals, necessary to the authorization, execution, delivery and performance by the City of this Agreement, the Fee Letter and the Bank Note.

(e) Bank Note. The Bank shall have received an executed Bank Note payable to the Bank.

(f) No Default, Etc. No Event of Default shall have occurred and be continuing as of the date hereof or will result from the execution and delivery by the City of this Agreement, the Fee Letter and the Bank Note or the issuance of the Letter of Credit. The representations and warranties and covenants made by the City in Article V hereof shall be true and correct in all material respects on and as of the Amendment Effective Date, as if made on and as of such date.

(g) Legality; Material Adverse Change. The Bank shall have determined (in its sole discretion) that (i) none of the making of any Drawings or Advances, the issuance of the Letter of Credit or the consummation of any of the transactions contemplated by the Resolution, the Issuing and Paying Agent Agreement, the Commercial Paper Notes, the Bank Note, this Agreement or the Fee Letter will violate any law, rule, guideline or regulation applicable to the City, the System, the Bank, this Agreement or any other Program Document; and (ii) no material adverse change in the ratings, financial condition, business, assets, liabilities or prospects of the City or the System shall have occurred since June 30, 2020, except as disclosed in writing to the Bank prior to the Amendment Effective Date, which would be reasonably likely to result in a Material Adverse Effect; and (iii) there has been no material adverse change in the laws, rules or regulations (or their interpretation or administration) that, in any case, may adversely affect the consummation of the transactions contemplated hereby or by any Program Document.

(h) Fees, Etc. The Bank shall have received payment of the fees, costs and expenses to be paid on or prior the Amendment Effective Date referred to in Section 9.06 hereof and pursuant to the Fee Letter.

Section 4.02. Conditions Precedent to Term Out. The extension of the maturity of each Advance on the Term Out Commencement Date pursuant to Section 2.03(a)(v) is subject to the satisfaction on the Term Out Commencement Date of each of the following conditions precedent: (a) the representations and warranties contained in Article V of this Agreement are true and correct in all material respects as of such date; and (b) no event has occurred and is continuing which constitutes a Default or Event of Default. For the avoidance of doubt, as provided in Section 2.03(a)(ii) hereof, the portion of each Advance corresponding to the accrued interest on the Commercial Paper Notes shall be due and payable on the date of the relevant Drawing.

Unless the City shall have previously advised the Bank in writing that (i) any or all of the representations and warranties contained in Article V of this Agreement are not true and correct in any material respect as of the Term Out Commencement Date or (ii) any event has occurred and is continuing, or would result from the Bank extending the maturity of an Advance which constitutes a Default or Event of Default, then the City shall be deemed to have represented and warranted on the Term Out Commencement Date that (i) the representations and warranties contained in Article V of this Agreement are true and correct in all material respects as of such date and (ii) no event has occurred and is continuing as of such date which constitutes a Default or Event of Default.

ARTICLE V.

REPRESENTATIONS AND WARRANTIES

In order to induce the Bank to enter into this Agreement and the Fee Letter and to issue the Letter of Credit, the City represents and warrants to the Bank as follows:

Section 5.01. Existence and Power. The City is a municipal corporation and chartered city duly organized and existing under and by virtue of the laws of the State of California and the Charter as may be amended from time to time, and is (and was, as applicable) possessed of full powers to own and lease (as lessor and lessee) real and personal property, to own and operate the System, and to execute and deliver this Agreement, the Fee Letter, the Bank Note, the Issuing and Paying Agent Agreement, each Dealer Agreement, the Commercial Paper Notes, the Senior Lien Resolution, the Subordinate General Resolution, the Resolution, the Supplemental Resolution (collectively, the “*City Documents*”), which powers have been validly exercised in connection with the transactions contemplated or effected by this Agreement and the other Program Documents.

Section 5.02. Due Authorization. (a) The City has the corporate power, and has taken all necessary corporate action to (i) authorize the City Documents, and to execute, deliver and perform its obligations under this Agreement and each of the other City Documents in accordance with their respective terms, (ii) issue and sell, from time to time, the Commercial Paper Notes as provided in the Program Documents and make payment of principal and interest, if any, on the Commercial Paper Notes and to pay the Obligations at the times and in the manner set forth herein and (iii) possess, manage and operate the System. The City has approved the form of the Program Documents to which it is not a party.

(b) The City is duly authorized to own Property and the System and to operate its business under the laws, rulings, regulations and ordinances of all Governmental Authorities

having the jurisdiction to license or regulate the System and the City has obtained all requisite approvals of all such governing bodies required to be obtained for such purposes. All Governmental Approvals necessary for the City to execute and deliver the City Documents and to perform the transactions contemplated hereby and thereby and to conduct its business activities and own its Property have been obtained and remain in full force and effect and are subject to no further administrative or judicial review. No other Governmental Approval or other action by, and no notice to or filing with, any Governmental Authority is required for the due execution, delivery and performance by the City of this Agreement or the due execution and delivery or performance by the City of the City Documents.

(c) The current collection of Revenues and the management of the System and the accounting and recordkeeping therefor are in material compliance with all applicable state and federal laws and all applicable resolutions, ordinances and rules of the City.

Section 5.03. Valid and Binding Obligations. This Agreement has been duly executed and delivered by one or more duly authorized officers of the City, and each of the City Documents, when executed and delivered by the City is or will be (as applicable), a legal, valid and binding obligation of the City enforceable in accordance with its terms, except as such enforceability may be limited by (a) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally, and (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 5.04. Noncontravention; Compliance with Law. The execution, delivery and performance by the City of this Agreement and the other City Documents and the other documents contemplated hereby and thereby are within the powers of City, have been duly authorized by all necessary actions and (i) do not contravene the Charter as amended or the City Administrative Code or any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or any indenture, agreement, lease, instrument or other contractual restriction binding on or affecting the City, (ii) except as provided in or contemplated by this Agreement and the other City Documents, do not result in or require the creation of any Lien, security interest or other charge or encumbrance upon or with respect to any asset of the City, (iii) do not and will not violate any Laws (including, without limitation, Regulations T, U or X of the FRB, or any successor regulations) and (iv) do not and will not conflict with, result in a breach of or constitute a default under any contract to which the City is a party or by which it or any of its Property (including, without limitation, the System) may be bound. The City is not in violation of or in default in any respect under any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or any indenture, agreement, lease, instrument or other contractual restriction or any City Document. The City and the System are in compliance with all Laws, except for such noncompliance that, singly or in the aggregate, has not caused or is not reasonably expected to cause a Material Adverse Effect.

Section 5.05. Pending Litigation and Other Proceedings. There is no action, suit or proceeding pending in any court, any other Governmental Authority with jurisdiction over the City or the System or any arbitration in which service of process has been completed against the City or, to the knowledge of the City, any other action, suit or proceeding pending or threatened in any court, any other Governmental Authority with jurisdiction over the City or the System or any arbitrator, in either case against the City (including, without limitation, the ability of the City to

establish and collect rates for use of the System), affecting the existence of the City or the System, the title of any executive officials to their respective offices, the System or affecting or seeking to prohibit, restrain or enjoin the execution or delivery of this Agreement or any other City Document, or in any way contesting or affecting the validity or enforceability of the Commercial Paper Notes, this Agreement, any other City Document or any Obligation or contesting the tax-exempt status of the Tax-Exempt Commercial Paper Notes, or contesting the powers of the City or any authority for the issuance of the Commercial Paper Notes, the execution and delivery of this Agreement or the other City Documents, nor, to the best, knowledge of the City, is there any basis therefor, which, if determined adversely to the City (i) would adversely affect the validity or enforceability of, or the authority or ability of the City to perform its obligations under, this Agreement or any other City Documents, (ii) would, in the reasonable opinion of the City, have a Material Adverse Effect, (iii) would adversely affect the exclusion of interest on the Tax-Exempt Commercial Paper Notes from gross income for Federal income tax purposes or the exemption of such interest from State of California personal income taxes or (iv) which could reasonably be expected to result in a Material Adverse Effect, except any action, suit or proceeding which has been brought prior to the Amendment Effective Date as to which the Bank has received an opinion of counsel satisfactory to the Bank, in form and substance satisfactory to the Bank and the Bank's legal counsel, to the effect that such action, suit or proceeding is without substantial merit.

Section 5.06. Financial Statements. (a)(i) The financial statements of the System delivered to the Bank pursuant Section 4.01(g) and the related consolidated statements of activities and changes in net assets and the related consolidated statements of cash flows, and accompanying notes thereto, are complete and correct and fairly present the financial condition of the System in all material respects as of the dates thereof and the results of its operations for the periods then ended, in each case in conformity with GAAP. Since the date of the financial statements of the System most recently delivered to the Bank pursuant Section 6.05(a) and the related consolidated statements of activities and changes in net assets and the related consolidated statements of cash flows, and accompanying notes thereto, there has been no Material Adverse Change in the business, financial position, or results of operations of the System.

(ii) The financial statements of the System most recently delivered to the Bank pursuant Section 6.05(a) and the related consolidated statements of activities and changes in net assets and the related consolidated statements of cash flows, and accompanying notes thereto, are complete and correct and fairly present the financial condition of the System in all material respects as of the dates thereof and the results of its operations for the periods then ended, in each case in conformity with GAAP.

(b) Except as fully reflected in the financial statements of the System and except for the City's obligations set forth in this Agreement and the other City Documents, there are as of the date hereof no liabilities or obligations with respect to the City of any nature whatsoever (whether absolute, accrued, contingent or otherwise and whether or not due) which, in the aggregate, would be material to the System. The City does not know of any basis for the assertion against the City of any liability or obligation of any nature whatsoever that is not fully reflected in the financial statements included provided to the Bank which, in the aggregate, could be material to the System.

Section 5.07. Employee Benefit Plan Compliance. The City has no funding liability or obligation currently due and payable with respect to any employee benefit plan which could

reasonably be expected to result in a Material Adverse Effect. The City is otherwise in compliance with the terms of any such plan in which the City participates to the extent any such failure to comply could reasonably be expected to result in a Material Adverse Effect. The City currently has a Plan which is in compliance in all respects with the requirements of the applicable Laws of the State of California, including without limitation the obligation to pay contributions on behalf of its employees in accordance therewith, and the City has no Plan which is subject to the requirements of ERISA. No condition exists or event or transaction has occurred with respect to any Plan which could reasonably be expected to result in the incurrence by the City of any material liability, fine or penalty.

Section 5.08. No Defaults. No default by the City has occurred and is continuing in the payment of the principal of or premium, if any, or interest on any Parity Debt or Senior Debt including, without limitation, regularly scheduled payments on any Swap Agreements which constitute Parity Debt. No bankruptcy, insolvency or other similar proceedings pertaining to the City or any agency or instrumentality of the City are pending or presently contemplated. No Default or Event of Default has occurred and is continuing hereunder. No “default” or “event of default” under, and as defined in, any of the other City Documents has occurred and is continuing. The City is not presently in default under any material agreement to which it is a party which could reasonably be expected to have a Material Adverse Effect. The City is not in violation of any material term of the organizational documents or authorizing legislation applicable to the City or any material term of any bond indenture or agreement to which it is a party or by which any of its Property (including, without limitation, the System) is bound which could reasonably be expected to result in a Material Adverse Effect.

Section 5.09. Insurance. The City currently maintains a system of self-insurance or insurance coverage with insurance companies believed by the City to be capable of performing their obligations under the respective insurance policies issued by such insurance companies to the City (as determined in its reasonable discretion) and in full compliance with Section 6.11 of the Resolution and Section 6.04 hereof. The SCM Fund maintains an Operations and Maintenance Reserve equal to 45 days of budgeted operations and maintenance expenditures which may be used to satisfy any liability claims payable by the System and/or losses to property or equipment of the System. On the Amendment Effective Date, the Operations and Maintenance Reserve is \$[48,741,266].

Section 5.10. Title to Assets. The City has good and marketable title to its assets except where the failure to have good and marketable title to any of its assets would not have a Material Adverse Effect.

Section 5.11. Incorporation by Reference. The representations and warranties of the City contained in the other City Documents to which the City is a party, together with the related definitions of terms contained therein, are hereby incorporated by reference in this Agreement as if each and every such representation and warranty and definition were set forth herein in its entirety, and the representations and warranties made by the City in such Sections are hereby made for the benefit of the Bank. No amendment to or waiver of such representations and warranties or definitions made pursuant to the relevant other City Document or incorporated by reference shall be effective to amend such representations and warranties and definitions as incorporated by reference herein without the prior written consent of the Bank.

Section 5.12. Correct Information. All information, reports and other papers and data with respect to the City furnished by the City to the Bank were, at the time the same were so furnished, correct in all material respects. Any financial, budget and other projections furnished by the City to the Bank were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent (subject to the updating or supplementation of any such financial, budget or other projections by any additional information provided to the Bank in writing, the representations contained in this Agreement being limited to financial, budget or other projections as so updated or supplemented), in the judgment of the City, a reasonable, good faith estimate of the information purported to be set forth, it being understood that uncertainty is inherent in any projections and that no assurance can be given that the results set forth in the projections will actually be obtained. No fact is known to the City that materially and adversely affects or in the future may (as far as it can reasonably foresee) materially and adversely affect the security for any of the Commercial Paper Notes or any Obligation, or the ability of the City to repay when due the Obligations, that has not been set forth in the financial statements and other documents referred to in this Section 5.12 or in such information, reports, papers and data or otherwise disclosed in writing to the Bank. The documents furnished and statements made by the City in connection with the negotiation, preparation or execution of this Agreement and the Program Documents do not contain untrue statements of material facts or omit to state material facts necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

Section 5.13. Investment Company. The City is not an “*investment company*” or a company “*controlled*” by an “*investment company*,” as such terms are defined in the Investment Company Act of 1940, as amended.

Section 5.14. Margin Stock. The City is not engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock, and no portion of the proceeds of any Drawings or Advances shall be used by the City (or the Issuing and Paying Agent or any other Person on behalf of the City) for the purpose of “purchasing” or “carrying” any margin stock or used in any manner which might cause the borrowing or the application of such proceeds to violate Regulation G, U or X of the Board of Governors of the Federal Reserve System or any other regulation of the City or to violate the Securities Exchange Act of 1934, as amended, in each case as in effect on the date or dates of any Drawings or Advances and such use of proceeds.

Section 5.15. Tax Status of Interest on Tax-Exempt Commercial Paper Notes. It is the intention of the City and the Bank that the interest on the Tax-Exempt Commercial Paper Notes be excluded from the gross income of the owners thereof for federal income tax purposes by reason of the provisions of Section 103 of the Code, or any substantially similar successor provision hereafter enacted. To that end, the City represents to the Bank that it has not taken any action, and knows of no action that any other Person has taken, which would cause interest on such Tax-Exempt Commercial Paper Notes to be includable in the gross income of the recipients thereof for federal income tax purposes.

Section 5.16. Usury. None of the Program Documents, the Commercial Paper Notes or the Obligations provide for any payments that would violate any applicable Law regarding permissible maximum rates of interest.

Section 5.17. Security. (a) The City hereby designates the Reimbursement Obligations as “Subordinate Bonds” for purposes of the Subordinate General Resolution. The Subordinate General Resolution creates a valid pledge of and lien on the Revenues and the funds and accounts created under the Subordinate General Resolution and the moneys (including, without limitation, the Revenues) on deposit therein, as security for the punctual payment of the interest and principal due with respect to the Commercial Paper Notes and all Reimbursement Obligations, subordinate only to the lien in favor of Senior Lien Bonds. All action necessary to create the pledge of and lien on the Revenues and such funds and accounts and on moneys on deposit therein (including the Revenues) in favor of the Reimbursement Obligations as set forth in the Subordinate General Resolution, have been duly and validly taken. The City’s obligation to pay the Reimbursement Obligations is pari passu with its obligation to pay the Commercial Paper Notes and all other “Subordinate Bonds” under the Subordinate General Resolution and subordinate only to Senior Lien Bonds. This Agreement constitutes a “Credit Agreement” under the Supplemental Resolution and the Issuing and Paying Agent Agreement.

(b) The Subordinate General Resolution, the Supplemental Resolution and this Agreement create a valid pledge of and lien on the Revenues and funds and accounts created under the Subordinate General Resolution and the moneys (including, without limitation, the Revenues) on deposit therein, as security for the punctual payment when due of Obligations (other than Reimbursement Obligations) and the performance and observance of all of the covenants, agreements and conditions contained in this Agreement and the other Program Documents, which pledge of and lien on the Revenues and Trust Assets with respect to the Obligations (other than Reimbursement Obligations) is subordinate only to the City’s obligation to pay the Reimbursement Obligations, Subordinate Bonds and Senior Lien Bonds (and related obligations). All action necessary for such pledge of and lien on Revenues and Trust Assets have been duly and validly taken.

Section 5.18. Pending Legislation and Decisions. There is no amendment, or to the knowledge of the City, proposed amendment to the Constitution of the State or any State law or any administrative interpretation of the Constitution of the State or any State law, or any legislation that has passed either house of the legislature of the State or is under consideration by any conference or similar committee, or any judicial decision interpreting any of the foregoing, the effect of which will materially adversely affect the security for any of the Commercial Paper Notes or any Obligation, the City’s ability to pay in full in a timely fashion the Revenues, or any Obligations, the creation, organization, or existence of the City or the titles to office of any officers executing this Agreement or any other City Document or the City’s ability to repay when due its obligations under this Agreement, any of the Commercial Paper Notes or any Obligation.

Section 5.19. Issuing and Issuing and Paying Agent. U.S. Bank National Association is the duly appointed and acting Issuing and Paying Agent for the Commercial Paper Notes.

Section 5.20. Environmental Matters. The operations of the System are in material compliance with all of the requirements of applicable federal, state and local environmental, health

and safety Laws and are not the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, where a failure to comply with any such requirement or the need for any such remedial action could reasonably be expected to result in a Material Adverse Effect. The City has not received notice to the effect that the operations of the System are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety Laws or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, in each case which non-compliance or remedial action could reasonably be expected to result in a Material Adverse Effect.

Section 5.21. No Immunity. The City is not entitled to claim the defense of sovereign immunity in any action, suit or proceeding arising under or relating to this Agreement or any other Program Document (a) for monetary damages or (b) for the execution or enforcement of any judgment (subject to applicable bankruptcy or insolvency laws or limitations on legal remedies against public agencies in the State of California), nor may there be attributed to the City any such immunity (whether or not claimed).

Section 5.22. No Public Vote or Referendum. There is no public vote or referendum pending, proposed or concluded, the results of which could reasonably be expected to result in a Material Adverse Effect.

Section 5.23. Swap Agreements. The City has not entered into any Swap Agreement relating to Debt (i) wherein any termination payment thereunder is senior to or on a parity with the payment of the Commercial Paper Notes or the other Obligations or (ii) which requires the City to post cash collateral to secure its obligations thereunder.

Section 5.24. Anti-Terrorism Laws. The City is not in violation of any Laws relating to terrorism or money laundering ("*Anti-Terrorism Laws*"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "*Executive Order*"), and the Patriot Act;

(a) The City is not any of the following:

(i) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(ii) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(iii) a Person with which the Bank is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(iv) a Person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; or

(v) a Person that is named as a "specially designated national and blocked person" on the most current list published by the Office of Foreign Asset Control

("OFAC") or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list;

(b) The City does not (i) conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in subsection (a)(ii) above, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (iii) engage in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

Section 5.25. Use of Commercial Paper Notes Proceeds. The proceeds of the Commercial Paper Notes will be expended in the manner set forth in the Issuing and Issuing and Paying Agent Agreement and the Resolution.

Section 5.26. Disclosure. To the best knowledge of the City, neither the City Documents, the Offering Memorandum (excluding (a) any information contained therein relating to DTC and its book-entry only system, (b) any information contained therein provided by or on behalf of the Bank and (c) any information contained therein provided by the Bank or its counsel summarizing provisions of this Agreement) nor any other document, certificate or statements of the City (including the unaudited financial statements, reports, budgets, projections and cash flows of the City with respect to the System furnished to the Bank by or on behalf of the City in connection with the transactions contemplated hereby or thereby) contains any untrue statement of any material fact.

ARTICLE VI.

COVENANTS

The City will do the following so long as any amounts may be drawn under the Letter of Credit and/or any Obligations remain outstanding under this Agreement and/or the Fee Letter, unless the Bank shall otherwise consent in writing:

Section 6.01. Existence, Etc. The City (a) shall preserve and maintain its existence, rights and franchises as a municipal corporation duly organized and existing under the Constitution and laws of the State of California and (b) shall not liquidate or dissolve, or sell or lease or otherwise transfer or dispose of all or any substantial part of the property, assets or business related to the System, or combine, merge or consolidate with or into any other entity or Person or change the use of facilities or assets that generate Revenues.

Section 6.02. Maintenance of Properties. The City shall, in all material respects, maintain, preserve and keep the Property of the System in good repair, working order and condition (ordinary wear and tear excepted) so as not to result in a Material Adverse Effect.

Section 6.03. Compliance with Laws; Taxes and Assessments. The City shall comply with all Laws applicable to it and the Property of the System so as not to result in a Material Adverse Effect, such compliance to include, without limitation, paying all taxes, assessments and governmental charges imposed upon the Property of the System before the same become

delinquent, unless and to the extent that the same are being contested in good faith and by appropriate proceedings and reserves are provided therefor that in the opinion of the City are adequate.

Section 6.04. Insurance. Without limiting the obligations of the City under Section 6.08 hereof, the City shall maintain commercial insurance (with financially sound carriers) (including liability insurance) or provide self-insurance in lieu of commercial insurance (including liability insurance) against loss or damage to the System in such amounts (with reasonable deductibles for commercial insurance) and covering such risks to the same extent as is customary for comparable sewer systems in large metropolitan areas. The City shall upon request of the Bank furnish a certificate setting forth in summary form the nature and extent of the insurance and self-insurance maintained pursuant to this Section 6.04.

Section 6.05. Reports. The City shall furnish to the Bank in form and detail satisfactory to the Bank (if by email, to xramunicipalcovenant@barclayscapital.com):

(a) Annual Report. As soon as available and in any event within 270 calendar days after the end of each Fiscal Year of the City, a copy of the annual audited financial statements of the System for such year, including a balance sheet of the System as of the end of such Fiscal Year and the related statements of revenues, expenses and changes in fund balances and statement of cash flows, all in reasonable detail and reported on by a firm of nationally recognized independent certified public accountants, and the report of such firm of independent certified public accountants shall state, without qualification, that such financial statements present fairly the financial position of the System as of the end of such Fiscal Year, the results of operations, the changes in fund balances and cash flows of the System for such Fiscal Year then ended in conformity with GAAP together with (1) the opinion of the City's independent accountants and (2) a No Default Certificate signed by an Authorized City Representative stating that no Event of Default or Default has occurred, or if such Event of Default or Default has occurred, specifying the nature of such Event of Default or Default, the period of its existence, the nature and status thereof and any remedial steps taken or proposed to correct such Event of Default or Default.

(b) [Reserved]

(c) Budget. If at any time any Rating falls below "Aa3" (or its equivalent) by Moody's or "AA" (or its equivalent) by S&P or Fitch, then as soon as available, and in any event within one hundred twenty (120) calendar days following the approval thereof, a copy of each annual budget of the System.

(d) [Reserved]

(e) Notices of Resignation of the Issuing and Paying Agent or Dealer. Written notice to the Bank of any resignation of the Issuing and Paying Agent or Dealer immediately upon receiving notice of the same.

(f) Offering Memorandum. Within ten (10) calendar days after the issuance of any issue of Subordinate Bonds or any other securities payable or secured by Revenues by the City with respect to which a final official statement or other offering or disclosure document has been prepared by the City, a copy of such official statement or offering circular; *provided, however*, that

the City shall be deemed to have satisfied the requirements of this provision as and to the extent the City has posted the same on EMMA or the City's website within the applicable time frame described above.

(g) Notice of Default or Event of Default. (i) Promptly upon obtaining knowledge of any Default or Event of Default, or notice thereof, and in any event within ten (10) Business Days thereafter, a certificate signed by an Authorized City Representative specifying in reasonable detail the nature and period of existence thereof and what action the City has taken or proposes to take with respect thereto; (ii) promptly following a written request of the Bank, a certificate of an Authorized City Representative as to the existence or absence, as the case may be, of a Default or an Event of Default under this Agreement; and (iii) promptly upon obtaining knowledge of any "default" or "event of default" as defined under any Bank Agreement, notice specifying in reasonable detail the nature and period of existence thereof and what action the City has taken or proposes to take with respect thereto.

(h) Litigation. (i) As soon as practicable and in any event within sixty (60) calendar days after the City obtains actual knowledge of: (A) any litigation, arbitration or governmental proceeding pending against the City in respect of the System which if determined adversely to the City could reasonably be expected to result in uninsured damages chargeable to the System in excess of \$25,000,000; and/or (B) any litigation, arbitration or governmental proceeding pending against the City or the System that challenges the City's ability to perform its obligations under this Agreement and/or the Program Documents, and (ii) as soon as practicable and in any event within ten (10) Business Days after the City obtains actual knowledge of: (A) a change or amendment to the Charter or the City Administrative Code, which change or amendment is materially adverse to the City's ability to perform its obligations under this Agreement and/or the Program Documents; (B) any other event or condition that could reasonably be expected to result in a Material Adverse Effect; and/or (C) the destruction of or any material damage to the System that is not fully covered by casualty insurance, in each case a statement of the Authorized City Representative of the City setting forth details describing the same and the steps being taken with respect thereto;

(i) Ratings Change. As soon as practicable, notice of any change in, or the suspension, withdrawal or unavailability of, any rating on Debt payable or secured by Revenues; *provided, however,* that the City shall be deemed to have satisfied the requirements of this provision as and to the extent the City has posted the same on EMMA or the City's website within the applicable time frame described above; and

(j) Other Information. Such other information (including, without limitation, management letters) regarding the business affairs, financial condition and/or operations of the City and the System as the Bank may from time to time reasonably request.

Section 6.06. Maintenance of Books and Records. The City will keep proper books of record and account with respect to the System and Revenues, in which full, true and correct entries in accordance with GAAP. All financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the financial statements, except as otherwise specifically

prescribed herein. Except as provided in the immediately preceding sentence, in preparing any financial data or statements contemplated or referred to in this Agreement, the System shall not vary or modify the accounting methods or principles from the accounting standards employed in the preparation of its audited financial statements described in Section 5.06 hereof.

Section 6.07. Access to Books and Records. To the extent permitted by Law, the City will permit any Person designated by the Bank in writing (at the expense of the Bank, unless and until a Default or Event of Default has occurred, at which time such expenses shall be borne by the City) to visit any of the offices of the City, and any of its properties, including the properties comprising the System, to examine the books and financial records of the City (except books and financial records the examination of which by the Bank is prohibited by Law or by attorney or client privilege), including minutes of meetings of any relevant governmental committees or agencies, including such books and records relating to the System, and to make copies thereof or extracts therefrom, and to discuss the affairs, finances and accounts of the City with their principal officers, employees and independent public accountants, all at such reasonable times and as often as the Bank may reasonably request.

Section 6.08. Compliance With Documents. The City agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in the Resolution and each of the other City Documents, which provisions, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety all of which shall be deemed to be made for the benefit of the Bank and shall be enforceable against the City (such enumerated covenants, agreements and defined terms, the “*Underlying Provisions*”; the Underlying Provisions as so incorporated, the “*Incorporated Provisions*”). To the extent that any such Underlying Provision permits the City or any other party to waive compliance with such Underlying Provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to the City or any other party, for purposes of this Agreement, the corresponding Incorporated Provision shall be complied with unless it is specifically waived by the Bank in writing and such document, opinion or other instrument and such event or condition shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Bank which shall only be evidenced by the written approval by the Bank of the same. Except as permitted by Section 6.14 hereof, no termination or amendment to any Underlying Provision, shall be effective to terminate or amend any Incorporated Provision or release the City with respect thereto in each case without the prior written consent of the Bank. Notwithstanding any termination or expiration of any Underlying Provision, the City shall continue to observe the covenants therein contained for the benefit of the Bank until the termination of this Agreement and the payment in full of the Obligations. All such Incorporated Provisions shall be in addition to the express covenants contained herein and shall not be limited by the express covenants contained herein nor shall such incorporated covenants be a limitation on the express covenants contained herein.

Section 6.09. Rate Covenant. (a) The City covenants and agrees that it shall take any and all action necessary such that Revenues in each Fiscal Year shall equal an amount at least sufficient to satisfy the respective provisions of Section 6.03 of the Subordinate General Resolution.

(b) So long as (i) the Stated Amount has not been reduced to zero or terminated pursuant to the terms of this Agreement or (ii) the Letter of Credit or any Obligations remain

outstanding, the City shall continue to comply with the covenants and undertakings set forth in the Resolution, including, without limitation, Section 6.03 thereof, notwithstanding anything in the Resolution limiting such compliance to when a “Subordinate Bond” (as defined in the Resolution) remains outstanding thereunder.

Section 6.10. No Impairment. The City will neither take any action, nor cause the Issuing and Paying Agent to take any action, under the Resolution or any other Program Document which would materially adversely affect the rights, interests, remedies or security of the Bank under this Agreement or any other Program Document or which could reasonably be expected to result in a Material Adverse Effect.

Section 6.11. Application of Commercial Paper Notes Proceeds. (a) The City will not take or omit to take any action, which action or omission will in any way result in the proceeds of the Drawings or the Advances being applied for any purpose other than to pay principal of and interest on Commercial Paper Notes on their respective maturity dates.

(b) The City agrees not to authorize, instruct or permit the Issuing and Paying Agent to authenticate and deliver Commercial Paper Notes at any time when any Advance is outstanding unless the proceeds of the sale of such Commercial Paper Notes are to be applied on the sale date to repay either (i) such Advance (together with all accrued and unpaid interest thereon), or (ii) principal of and accrued interest on concurrently maturing Commercial Paper Notes.

Section 6.12. Issuing and Paying Agent and Dealers. The City will not, without the prior written consent of the Bank, which consent shall not be unreasonably withheld, (a) remove, or seek to remove, the Issuing and Paying Agent; or (b) appoint or consent to the appointment of any successor Issuing and Paying Agent or Dealer thereto. The City shall at all times maintain an Issuing and Paying Agent pursuant to the terms of the Resolution and the Issuing and Paying Agent Agreement that is acceptable to the Bank. The City will at all times maintain a Dealer under the Resolution, the Issuing and Paying Agent Agreement and the Dealer Agreement that is acceptable to the Bank (and the Bank shall act reasonably in approving the same). The City agrees to (x) issue Commercial Paper Notes and (y) cause the applicable Dealers (subject to the terms of the applicable Dealer Agreements) to use their best efforts to sell Commercial Paper Notes, in each case, up to the Maximum CP Rate applicable to the Commercial Paper Notes in order to repay maturing Commercial Paper Notes. If any Advance remains outstanding for a period of thirty (30) consecutive calendar days or any Dealer fails to sell Commercial Paper Notes, the proceeds of which are intended to be used to pay any Advance, after being directed to do so by the City (subject to the provisions of the applicable Dealer Agreement) at the written direction of the Bank the City shall cause such Dealer to be replaced with a Dealer satisfactory to the Bank within sixty (60) calendar days of the receipt of such written direction; *provided* that so long as the remaining Dealers for the Commercial Paper Notes are satisfactory to the Bank, it shall be sufficient for the City only to remove the Dealer that has been unable to sell rollover Commercial Paper Notes or fails to perform its duties. Each Dealer Agreement shall provide that the related Dealer may resign upon at least sixty (60) days’ prior written notice to the City, the Issuing and Paying Agent and the Bank. Each Dealer Agreement shall provide that the related Dealer may resign upon at least sixty (60) days’ prior written notice to the City, the Issuing and Paying Agent and the Bank. Any Issuing and Paying Agent must have minimum capital of \$100,000,000.

Section 6.13. Reserved.

Section 6.14. Program Documents. The City will not amend or modify, or permit to be amended or modified in any manner whatsoever any Program Document in a manner which would materially adversely affect the City's ability to repay Debt that is secured by Revenues or which adversely affects the security for the Commercial Paper Notes or the other Obligations or the City's ability to repay when due the Commercial Paper Notes or the other Obligations or the interests, security, rights or remedies of the Bank without the prior written consent of the Bank or could reasonably be expected to result in a Material Adverse Effect.

Section 6.15. Liens. (a) The City shall not, directly or indirectly, incur, create or permit to exist any Lien on all or any part of the security provided by the Resolution that is senior to or on a parity with the Lien securing the Commercial Paper Notes and the Reimbursement Obligations, other than (i) Liens created under and in accordance with the terms of the Resolution; (ii) the Liens created for the benefit of the Commercial Paper Notes, the Subordinate Bonds and Senior Lien Bonds that has heretofore or may hereafter be issued; and (iii) Liens which could not reasonably be expected to materially adversely affect the interests, rights, remedies or security of the Bank under this Agreement and the other Program Documents.

(b) The City shall not, directly or indirectly, incur, create or permit to exist any Lien on all or any part of the security provided by the Resolution that is senior to or on a parity with the Lien securing the Obligations (other than Reimbursement Obligations), other than (i) Liens created under and in accordance with the terms of the Resolution; (ii) the Liens created for the benefit of the Reimbursement Obligations, other Subordinate Bonds and Senior Lien Bonds (and obligations relating thereto) that has heretofore or may hereafter be issued; and (iii) Liens which could not reasonably be expected to materially adversely affect the interests, rights, remedies or security of the Bank under this Agreement and the other Program Documents.

Section 6.16. [Reserved]

Section 6.17. Disclosure to Participants. The Bank agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its affiliates and to its Related Parties (as defined below, with it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners); (c) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process; (d) to any other party hereto; (e) in connection with the exercise of any remedies hereunder or under any other Program Document or any action or proceeding relating to this Agreement or any other Program Document or the enforcement of rights hereunder or thereunder; (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the City and its obligations, this Agreement or payments hereunder; (g) on a confidential basis to (i) any Rating Agency in connection with rating the City, the Commercial

Paper Notes or the Bank Note or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Commercial Paper Notes or the Bank Note; (h) with the consent of the City; or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to the Bank or any of their respective affiliates on a nonconfidential basis from a source other than the City.

For purposes of this Section:

“*Information*” means all information received from the City relating to the City or the System or any of their respective businesses, other than any such information that is available to the Bank on a nonconfidential basis prior to disclosure by the City; provided that, in the case of information received from the City after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

“*Related Parties*” means, with respect to any Person, such Person's affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's affiliates.

Section 6.18. [Reserved]

Section 6.19. Immunity from Jurisdiction. The City agrees to be sued on its contractual obligations, including this Agreement, the Obligations, and the other Program Documents, and all contractual claims with respect hereto, and to the fullest extent permitted by applicable Law hereby covenants that should such right arise in the future, it will not assert or exercise any right of immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) the jurisdiction of any state or federal court located inside the State, (iii) relief by way of injunction, order for specific performance or for recovery of property consisting of monetary assets, cash or cash equivalent-type assets (whether before or after judgment, in aid of execution, or otherwise), and (iv) execution or enforcement of any judgment to which it or its revenues or monetary assets, cash or cash equivalent-type assets might otherwise be entitled in any suit, action or proceedings relating to this Agreement, the Obligations, or any other Program Document in any state or federal court located inside the State and no such immunity (whether or not claimed) may be attributed to the City or the Revenues (nor shall such attribution be claimed by the City). The foregoing covenant shall not apply to any claim being made on or relief or execution being granted against any revenues or assets of the City (other than the Revenues and amounts owed to the Bank or under this Agreement or the other Program Documents) or to any tort claims.

Section 6.20. Swap Agreements. Without the prior written consent of the Bank, the City will not enter into any Swap Agreement relating to Debt secured by Revenues (i) wherein any termination payments thereunder are senior to the payment of the Commercial Paper Notes or the other Obligations or (ii) which requires the City to post cash collateral to secure its obligations thereunder.

Section 6.21. Budget and Appropriation. To the fullest extent permitted and/or required by State law, the City shall cause the appropriate City official(s) to take any and all ministerial actions that may be necessary to facilitate the payment of the principal of and interest on the Commercial Paper Notes and the payment of all other Obligations and to include the principal and interest on the Commercial Paper Notes and the payment of all other Obligations in the annual budget of the City (including any necessary appropriations related thereto).

Section 6.22. Use of Bank's Name. The City shall not include in an offering document for the Commercial Paper Notes any information concerning the Bank (other than identifying the Bank as a party to this Agreement and the issuer of the Letter of Credit) that is not supplied in writing, or otherwise consented to in writing, by the Bank expressly for inclusion therein. Except as may be required by Law (including federal and state securities laws), the City shall not include any information concerning the Bank (other than identifying the Bank as a party to its contracts with the City) that is not supplied in writing, or otherwise consented to, by the Bank expressly for inclusion therein, in any offering documents with respect to the Senior Lien Bonds and the Subordinate Bonds without the prior written consent of the Bank, which consent shall not be unreasonably withheld or delayed; *provided* that, without the prior written consent of the Bank, the City may identify the Bank as a party to this Agreement and as the issuer of the Letter of Credit, the stated amount of the Letter of Credit, the expiration date of the Letter of Credit and that the City's obligations under this Agreement are secured by Revenues, in offering documents with respect to the Senior Lien Bonds and the Subordinate Bonds, so long as no other information relating to the Agreement, the Fee Letter or the Bank is disclosed in such offering documents without the prior written consent of the Bank.

Section 6.23. Maintenance of Tax Exempt Status of Commercial Paper Notes. The City will not take, nor permit to be taken, any action or omit to take, or permit to be omitted, any action which, if taken or omitted, would adversely affect the exclusion of interest on any Tax Exempt Commercial Paper Notes from gross income for purposes of federal income taxation or the exemption of such interest from State of California personal income taxes.

Section 6.24. Investment Policy. All investments of the System, including, without limitation, investments of the Revenues have been and will be made in accordance with the terms of the Investment Policy.

Section 6.25. Environmental Laws. The City shall comply with all applicable Environmental Laws and cure any defect (or cause other Persons to cure any such defect) to the extent necessary to bring such real property owned, leased, occupied or operated by the City and affecting the System back into compliance with Environmental Laws and to comply with any cleanup orders issued by a Governmental Authority having jurisdiction thereover so as not to cause a Material Adverse Effect. The City shall at all times use and maintain the System safe and fit for its intended uses. The City shall also immediately notify the Bank of any actual or alleged material failure to so comply with or perform, or any material breach, violation or default under any Environmental Law.

Section 6.26. Federal Reserve Board Regulations. The City shall not use any portion of the proceeds of any Advance or Drawing or the proceeds of the Commercial Paper Notes for the

purpose of carrying or purchasing any Margin Stock and shall not incur any Debt which is to be reduced, retired or purchased by the City out of such proceeds.

Section 6.27. Ratings. The City covenants and agrees that it shall at all times maintain (i) at least two unenhanced long-term ratings on Parity Debt from any of Fitch, Moody's or S&P, (ii) at least one short-term rating on the Commercial Paper Notes by any Rating Agency and (iii) at least one long-term rating of at least "Baa2" (or its equivalent) or better by Moody's or "BBB" (or its equivalent) or better by S&P or Fitch. The City covenants and agrees that it shall not at any time withdraw any long-term unenhanced rating on its Parity Debt from any of Fitch, Moody's or S&P if the effect of such withdrawal would be to cure a Default or an Event of Default under this Agreement or reduce the Letter of Credit Fee Rate applicable under the Fee Letter.

Section 6.28. Further Assurances. The City agrees to do such further acts and things and to execute and deliver to the Bank such additional assignments, agreements, powers and instruments as the Bank may reasonably require or reasonably deem advisable to carry into effect the purposes of this Agreement or to better assure and confirm to the Bank its rights, powers and remedies hereunder and under the Program Documents.

Section 6.29. Plans. The City will (i) remain at all times in compliance with any applicable Law (including any legally available grace periods) with respect to any Plan, and (ii) maintain each Plan as to which it may have any liability in compliance in all material respects with the provisions of applicable Law, the failure to comply with which could subject the City to any tax or penalty which tax or penalty, taken together, with all other taxes and penalties which could be assessed against the City by reason of all other non-compliances, would have a Material Adverse Effect.

Section 6.30. Ranking of Obligations. The City shall not take any action that would result in the Reimbursement Obligations not ranking at least *pari passu* in right of payment and security from Revenues and Trust Assets with the Commercial Paper Notes and other Subordinate Bonds and ranking subordinate to any Debt or obligation other than the Senior Lien Bonds. The City shall not take any action that would result in the Obligations (other than Reimbursement Obligations) ranking subordinate in priority in right of payment and security from Revenues and Trust Assets to any Debt or obligation of the City other than the Commercial Paper Notes, Reimbursement Obligations, Subordinate Bonds and Senior Lien Bonds.

Section 6.31. Limitation on Additional Debt. Notwithstanding anything in any Program Document to the contrary, the City will not issue and/or incur any additional Debt which is to be secured by Revenues while any Advance is outstanding or any other Obligation remains unpaid, other than any such Debt for the purpose of providing funds for refunding Senior Lien Bonds or Subordinate Bonds in accordance with and pursuant to Section 3.10 of the Senior Lien Resolution and Section 3.10 of the Subordinate General Resolution, respectively, unless all outstanding Advances and other unpaid Obligations are to be paid in full from the proceeds of such additional Debt or the City receives the prior written consent of the Bank.

Section 6.32. Book-Entry Eligibility. The City covenants that at all times from and including the Amendment Effective Date until and including the Letter of Credit Expiration Date, the City shall cause the Commercial Paper Notes to be eligible for, and to be registered with,

DTC's book entry delivery services and that such registration with DTC shall not be discontinued without the Bank's prior written consent.

Section 6.33. Substitute Credit Facility or Refinancing.

(a) The City agrees to use its best efforts to obtain a substitute Credit Facility to replace the Letter of Credit or otherwise refinance or defease the Commercial Paper Notes in the event (i) the Bank decides not to extend the Letter of Credit Expiration Date or if the City fails to request such an extension (such replacement, refinancing, redemption or defeasance to occur on or before the Letter of Credit Expiration Date), (ii) the Letter of Credit is terminated or (iii) the City terminates this Agreement in accordance with the terms hereof.

(b) The City agrees that any substitute Credit Facility will require, as a condition to the effectiveness of the substitute Credit Facility, that the provider of substitute Credit Facility provide funds to the extent necessary, on the date the substitute Credit Facility becomes effective, for payment of all Reimbursement Obligations at par plus interest (at the applicable rate pursuant to the terms hereof) through the date repaid. On the effective date of such substitute Credit Facility or refinancing, redemption or defeasance, as the case may be, the City shall pay in full all other amounts due under this Agreement, the Fee Letter and the Bank Note (including, without limitation, all Excess Interest and unpaid interest thereon) and the City shall provide for the surrender (and cancellation) of the Letter of Credit to the Bank.

(c) The City shall not permit a substitute Credit Facility to become effective with respect to less than all of the Commercial Paper Notes without the prior written consent of the Bank.

ARTICLE VII.

DEFAULTS AND REMEDIES

Section 7.01. Events of Default. The occurrence and continuation of one or more of the following events shall constitute an event of default hereunder ("*Event of Default*"):

(a) the City fails to pay, or cause to be paid, when due any principal of or interest on any Drawing or any Advance;

(b) the City fails to pay, or cause to be paid, when due any Letter of Credit Fee within thirty (30) calendar days of the date such Letter of Credit Fee is due or the City fails to pay, or cause to be paid, when due any other Obligation within thirty (30) calendar days after written notice thereof;

(c) any representation or warranty made by or on behalf of the City in this Agreement or in any other Program Document or in any certificate or statement delivered hereunder or thereunder shall be incorrect or untrue in any material respect when made or deemed to have been made or delivered;

(d) the City shall default in the due performance or observance by it of any Incorporated Provision and/or default in the due performance or observance of any of the

covenants set forth in Sections 6.01, 6.09, 6.10, 6.11, 6.12, 6.14, 6.15, 6.19, 6.20, 6.22, 6.23, 6.26, 6.27, 6.30, 6.31, 6.33(b) and/or 6.33(c) hereof;

(e) the City shall (i) default in the due performance or observance of any other term, covenant or agreement contained in Section 6.05(g) hereof and such default shall remain unremedied for a period of ten (10) Business Days after the occurrence thereof and/or (ii) default in the due performance or observance of any other term, covenant or agreement contained in this Agreement or any other Program Document and such default shall remain unremedied for a period of thirty (30) calendar days after the occurrence thereof;

(f) the City shall (i) have entered involuntarily against it an order for relief under the United States Bankruptcy Code, as amended, (ii) become insolvent or shall not pay, or be unable to pay, or admit in writing its inability to pay, its debts generally as they become due, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its Property (including, without limitation, the System), (v) institute any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code, as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, marshalling of assets, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (vi) take any corporate action in furtherance of any matter described in parts (i) through (v) above, or (vii) fail to contest in good faith any appointment or proceeding described in Section 7.01(g) of this Agreement;

(g) a custodian, receiver, trustee, examiner, liquidator or similar official shall be appointed for the City or any substantial part of its Property (including, without limitation, the System), or a proceeding described in Section 7.01(f)(v) shall be instituted against the City and such proceeding shall continue undischarged or any such proceeding continues undismissed or unstayed for a period of thirty (30) or more calendar days;

(h) a debt moratorium, debt restructuring (other than a refinancing or refunding in the ordinary course of the City's business), debt adjustment or comparable restriction is imposed on the repayment when due and payable of the principal of or interest on any Debt of the City by the City or any Governmental Authority with appropriate jurisdiction;

(i) (i) any provision of this Agreement or any Program Document related to (A) payment of principal of or interest on the Commercial Paper Notes, the Bank Note or other Obligations or any Parity Debt or Senior Debt or (B) the validity or enforceability of the pledge of the Revenues, Trust Assets or any other pledge or lien created by the Resolution shall at any time for any reason cease to be valid and binding on the City as a result of a finding or ruling by a court or Governmental Authority with competent jurisdiction, or shall be declared, in a final nonappealable judgment by any court of competent jurisdiction, to be null and void, invalid or unenforceable;

(ii) the validity or enforceability of any material provision of this Agreement or any Program Document related to (A) payment of principal of or interest on the

Commercial Paper Notes, the Bank Note or other Obligations or any Parity Debt or Senior Debt, or (B) the validity or enforceability of the pledge of the Revenues, Trust Assets or any other pledge or lien created by the Resolution shall be publicly contested by the City; or

(iii) any other material provision of this Agreement or any other Program Document, other than a provision described in clause (i) above, shall at any time for any reason cease to be valid and binding on the City as a result of a ruling or finding by a court or a Governmental Authority with competent jurisdiction or shall be declared in a final non appealable judgment by any court with competent jurisdiction to be null and void, invalid, or unenforceable, or the validity or enforceability thereof shall be publicly contested by the City;

(j) dissolution or termination of the existence of the City or the System;

(k) the City shall (i) default on the payment of the principal of or interest on any Parity Debt or Senior Debt including, without limitation, any regularly scheduled payments on Swap Agreements which constitute Parity Debt or Senior Debt, beyond the period of grace, if any, provided in the instrument or agreement under which such Parity Debt or Senior Debt was created or incurred; or (ii) default in the observance or performance of any agreement or condition relating to any Parity Debt or Senior Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist, the effect of which default, event of default or similar event or condition is to cause (determined without regard to whether any notice is required) any such Parity Debt or Senior Debt to become immediately due and payable in full or enables the holder thereof to accelerate such Parity Debt or Senior Debt (in each such case whether by acceleration, mandatory redemption or mandatory tender of such Parity Debt or Senior Debt);

(l) the City shall (i) default on the payment of the principal of or interest on any Debt secured by or payable from Revenues (other than Parity Debt or Senior Debt) including, without limitation, any regularly scheduled payments on Swap Agreements, aggregating in excess of \$10,000,000, beyond the period of grace, if any, provided in the instrument or agreement under which such Debt was created or incurred; or (ii) default in the observance or performance of any agreement or condition relating to any Debt secured by or payable from Revenues (other than Parity Debt or Senior Debt) aggregating in excess of \$10,000,000, or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist, the effect of which default, event of default or similar event or condition is to cause (determined without regard to whether any notice is required) any such Debt to become immediately due and payable in full or enables the holder thereof to accelerate such Debt (in each such case whether by acceleration, mandatory redemption or mandatory tender of such Debt);

(m) any final non-appealable judgment or judgments, writ or writs or warrant or warrants of attachment, or any similar process or processes, which are not covered in full by insurance, with written acknowledgement of such coverage having been provided by the provider of such insurance coverage to the Bank, in an aggregate amount not less than \$25,000,000 payable from Revenues shall be entered or filed against the City or against any of its Property (including,

without limitation, the System) and remain unsatisfied, unvacated, unbonded or unstayed for a period of ninety (90) calendar days;

(n) any Event of Default under any Program Document (other than this Agreement) shall have occurred;

(o) any of Fitch, Moody's or S&P shall have downgraded its rating of any long term unenhanced Parity Debt or Senior Debt of the City to below "Baa2" (or its equivalent) by Moody's or "BBB" (or its equivalent) by S&P or Fitch, or suspended or withdrawn or made unavailable any such rating for credit-related reasons;

(p) any of the funds or accounts established pursuant to the Subordinate General Resolution or any funds or accounts on deposit, or otherwise to the credit of, such funds or accounts shall become subject to any stay, writ, judgment, warrant of attachment, execution or similar process by any of the creditors of the City and such stay, writ, judgment, warrant of attachment, execution or similar process shall not be released, vacated or stayed within thirty (30) calendar days after its issue or levy;

(q) any event or condition which materially and adversely affects the financial condition of the System and the City's ability to observe and perform its obligations under this Agreement and the other Program Documents shall have occurred and be continuing, and the City fails to diligently and continuously pursue, and in any case fails to complete, the cure of such event or condition within six (6) months following the occurrence thereof; or

(r) the Lien created by the Resolution or Section 2.16 hereof shall at any time and for any reason not constitute a valid and perfected Lien on the Trust Assets with the priority purported to be created thereby or hereby, or the City shall so assert in writing.

Section 7.02. Rights and Remedies Upon Default. Upon the occurrence of an Event of Default hereunder the Bank, in its sole discretion, may do any, none or all of the following:

(a) by notice to the City, declare all Obligations to be, and such amounts shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the City; *provided* that upon the occurrence of an Event of Default described under Sections 7.01(f), (g) and (h) hereof such acceleration shall automatically occur (unless such automatic acceleration is waived by the Bank in writing);

(b) by notice of the occurrence of any Event of Default to the Issuing and Paying Agent (which notice shall constitute a "Tier One Stop Issuance Instruction" for purposes of the Supplemental Resolutions and the Issuing and Paying Agent Agreement) prohibit, until such time, if any, as the Bank shall withdraw (in writing) such notice, the issuance of additional Commercial Paper Notes, reduce the Stated Amount of the Letter of Credit to the principal amount of the then Outstanding Commercial Paper Notes supported by the Letter of Credit and interest payable thereon at maturity of such Commercial Paper Notes (pursuant to an Event of Default under the Reimbursement Agreement and Permanent Reduction Notice in the form of Annex G to the Letter of Credit) and/or terminate and/or permanently reduce such Stated Amount as the then Outstanding Commercial Paper Notes are paid;

(c) issue the Tier One Final Drawing Notice (the effect of which shall be to cause the Termination Date of the Letter of Credit to occur on the 15th day after the date of receipt thereof by the Issuing and Paying Agent);

(d) pursue any rights and remedies it may have under the Program Documents; or

(e) pursue any other action available at law or in equity.

Section 7.03. Remedies Cumulative; Solely for the Benefit of the Bank. To the extent permitted by, and subject to the mandatory requirements of, applicable Law, each and every right, power and remedy herein specifically given to the Bank in the Program Documents shall be cumulative, concurrent and nonexclusive and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy (whether specifically herein given or otherwise existing) may be exercised from time to time and as often and in such order as may be deemed expedient by the Bank, and the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy.

The rights and remedies of the Bank specified herein are for the sole and exclusive benefit, use and protection of the Bank, and the Bank is entitled, but shall have no duty or obligation to the City, the Issuing and Paying Agent or any other Person or otherwise, to exercise or to refrain from exercising any right or remedy reserved to the Bank hereunder or under any of the other Program Documents.

Section 7.04. Waivers or Omissions. No delay or omission by the Bank in the exercise of any right, remedy or power or in the pursuit of any remedy shall impair any such right remedy or power or be construed to be a waiver of any default on the part of the Bank or to be acquiescence therein. No express or implied waiver by the Bank of any Event of Default shall in any way be a waiver of any future or subsequent Event of Default.

Section 7.05. Discontinuance of Proceedings. In case the Bank shall proceed to invoke any right, remedy or recourse permitted hereunder or under the Program Documents and shall thereafter elect to discontinue or abandon the same for any reason, the Bank shall have the unqualified right so to do and, in such event, the City and the Bank shall be restored to their former positions with respect to the Obligations, the Program Documents and otherwise, and the rights, remedies, recourse and powers of the Bank hereunder shall continue as if the same had never been invoked.

ARTICLE VIII.

CITY PROVISIONS

Section 8.01. Nondiscrimination and Affirmative Action Program.

(a) Non-Discrimination In Employment. To the extent the Bank is subject to and required by the hereinafter defined LA Admin Code, during the term of this Agreement, the Bank agrees and obligates itself in the performance of this Agreement not to discriminate in its

employment practices against any employee or applicant for employment because of the employee's or applicant's race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition. To the extent the Bank is subject to and required by the LA Admin Code, the Bank shall take affirmative action to ensure that applicants for employment are treated, during the term of this Agreement, without regard to the aforementioned factors and shall comply with the non-discrimination and affirmative action requirements of the Los Angeles Administrative Code (the "*LA Admin Code*"), Sections 10.8, et seq.

(b) Equal Employment Practices. To the extent required by the hereinafter defined Equal Employment Practices, if the total payments made under this Agreement are One Thousand Dollars (\$1,000) or more, this provision shall apply. To the extent the Bank is subject to and required by the Equal Employment Practices, during the performance of this Agreement, the Bank agrees to comply with Section 10.8.3 of the LA Admin Code ("*Equal Employment Practices*"), which is incorporated herein by this reference to the extent required by the Equal Employment Practices. A copy of Section 10.8.3 of the LA Admin Code in effect on the Amendment Effective Date has been attached to this Agreement for the convenience of the parties as Exhibit D hereto. By way of specification but not limitation, pursuant to Sections 10.8.3.E and 10.8.3.F of the LA Admin Code, the failure of the Bank to comply with the Equal Employment Practices provisions of this Agreement could be deemed to be a material breach of this Agreement. No such finding shall be made or penalties assessed except pursuant to the Equal Employment Practices and upon a full and fair hearing after notice and an opportunity to be heard have been given to the Bank. Upon a finding duly made that the Bank has failed to comply with the Equal Employment Practices provisions of this Agreement, this Agreement could be forthwith terminated, cancelled, or suspended to the extent required by the Equal Employment Practices. Any such termination of this Agreement pursuant to the Equal Employment Practices shall be subject to the termination provisions set forth in Section 2.07 of this Agreement.

(c) Affirmative Action Program. To the extent required by the hereinafter defined Affirmative Action Program, if the total payments made under this Agreement are Twenty-Five Thousand Dollars (\$25,000) or more, this provision shall apply. To the extent the Bank is subject to and required by the Affirmative Action Program, during the performance of this Agreement, the Bank agrees to comply with Section 10.8.4 of the LA Admin Code ("*Affirmative Action Program*"), which is incorporated herein by this reference to the extent required by the Affirmative Action Program. A copy of Section 10.8.4 of the LA Admin Code in effect on the Amendment Effective Date has been attached to this Agreement for the convenience of the parties as Exhibit E hereto. By way of specification but not limitation, pursuant to Sections 10.8.4.E and 10.8.4.F of the LA Admin Code, the failure of the Bank to comply with the Affirmative Action Program provisions of this Agreement could be deemed to be a material breach of this Agreement. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard have been given to the Bank. Upon a finding duly made that the Bank has failed to comply with the Affirmative Action Program provisions of this Agreement, this Agreement could be forthwith terminated, cancelled, or suspended to the extent required by the Affirmative Action Program provisions. Any such termination of this Agreement pursuant to the Affirmative Action Program shall be subject to the termination provisions set forth in Section 2.07 of this Agreement.

Section 8.02. Child Support Orders. To the extent required by the hereinafter defined Child Support Provisions, this Agreement is subject to Section 10.10, Article I, Chapter 1, Division 10 of the LA Admin Code related to Child Support Assignment Orders (“Child Support Provisions”), which is incorporated herein by this reference to the extent required by the Child Support Provisions. A copy of the Child Support Provisions in effect on the Amendment Effective Date has been attached to this Agreement for the convenience of the parties as Exhibit F hereto. To the extent the Bank is subject to and required by the Child Support Provisions, pursuant to this section, the Bank (and any subcontractor of the Bank providing services to the City under this Agreement) shall (1) fully comply with all State and Federal employment reporting requirements for the Bank’s or the Bank’s subcontractor’s employees applicable to Child Support Assignment Orders; (2) certify that the principal owner(s) of the Bank and applicable subcontractors are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code Section 5230, et seq.; and (4) maintain such compliance throughout the term of this Agreement. To the extent the Bank is subject to and required by Section 10.10(b) of the LA Admin Code, failure of the Bank or an applicable subcontractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of the Bank or applicable subcontractors to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally, shall (only to the extent required by the Child Support Provisions) constitute a default of this Agreement subjecting (only to the extent required by the Child Support Provisions) this Agreement to termination where such failure shall continue for more than ninety (90) days after notice of such failure to the Bank or such applicable subcontractor by the City (in lieu of any time for cure provided elsewhere in this Agreement). Any such termination of this Agreement pursuant to the Child Support Provisions shall be subject to the termination provisions set forth in Section 2.07 of this Agreement.

Section 8.03. Compliance with Los Angeles City Charter Section 470(c)(12). The Bank, the Participants, the Subcontractors and their Principals are obligated to fully comply with Charter Section 470(c)(12), Ordinance No. 181972 and other applicable ordinances related to Charter Section 470(c)(12) regarding limitations on campaign contributions and fundraising for certain elected City officials, the City Attorney and the Controller of the City, candidates for these offices, and the City committees they control (collectively, the “*Measure H Ordinance*”) for such period as is required by the Measure H Ordinance, to the extent such provisions are applicable to this Agreement. Additionally, the Bank is required, for as long as required by the Measure H Ordinance, to provide and update certain information required by the Measure H Ordinance to the City within the timeframe required by the Measure H Ordinance; in turn, the City will electronically submit the information to the City Ethics Commission as required by the Measure H Ordinance. The Bank shall include the following notice (each a “*Participant/Subcontractor Notice*”) in any contract with a Participant or a Subcontractor expected to receive at least \$100,000 (each a “*Measure H Subcontract*”) in connection with its participation in this Agreement:

Notice Regarding Restrictions on Campaign Contribution and
Fundraising in City Elections.

You are considered a subcontractor in connection with the Second Amended and Restated Reimbursement Agreement dated as of October 15, 2021 (the “*Reimbursement Agreement*”), by and between the City of Los Angeles (the “*City*”) and Barclays Bank PLC, as the Bank. Pursuant to the Los Angeles City Charter Section 470(c)(12) and related ordinances, you and your principals are prohibited from making campaign contributions to and fundraising for certain elected City of Los Angeles (“*City*”) officials and candidates for elected City office for twelve months after the Reimbursement Agreement is signed. You are required to provide the names and contact information of your principals to the Bank and to amend that information within ten business days if it changes during the course of the twelve month time period. Failure to comply may result in termination of the Reimbursement Agreement or any other available legal remedies. Information about the restrictions may be found online at <https://ethics.lacity.org> or by calling the Los Angeles City Ethics Commission at (213) 978-1960.

The Bank, the Participants, the Subcontractors and their Principals shall comply with these requirements and limitations. Any failure of the Bank to include a Participant/Subcontractor Notice in an applicable Measure H Subcontract pursuant to the foregoing provision and any violation of Section 470(c)(12) of the Charter or the Measure H Ordinance by the Bank or a Principal of the Bank shall entitle the City to terminate this Agreement in accordance with the terms of the Measure H Ordinance and pursue any and all applicable legal remedies that may be available to the City. Any such termination of this Agreement pursuant to the Measure H Ordinance shall be subject to the termination provisions set forth in Section 2.07 of this Agreement. Any violation of Section 470(c)(12) of the Charter or the Measure H Ordinance by a Participant or Subcontractor or their respective Principals may subject the Participant or Subcontractor or such respective Principal to penalties under Section 470(c)(12) of the Charter or the Measure H Ordinance. The Bank may obtain additional information about the Measure H Ordinance at the City Ethics Commission’s website at <http://ethics.lacity.org/> or by calling (213) 978-1960.

The Bank represents and warrants that the individuals identified on Bidder Contributions CEC Form 55 submitted in connection with this Agreement on the Amendment Effective Date, other than those described clauses (i), (ii), (iii) or (v) of the definition of “Principal” herein, are the individual employees authorized to represent the Bank before the City in connection with this Agreement.

Section 8.04. Use of Criminal History For Consideration of Employment Applications. To the extent required by the hereinafter defined Use of Criminal History Provisions, this Agreement is subject to Section 10.48 et. seq. of the LA Admin Code related to the Use of Criminal History for Consideration of Employment Applications (“*Use of Criminal History Provisions*”), which is incorporated herein by this reference to the extent required by the Use of Criminal History Provisions. A copy of Section 10.48 of the LA Admin Code in effect on the Amendment Effective Date has been attached to this Agreement for the convenience of the parties as Exhibit G hereto. By way of specification but not limitation, pursuant to Sections 10.48.8.B of the LA Admin Code, the failure of the Bank to comply with the Use of Criminal History Provisions could be deemed to

be a material breach of this Agreement and entitle the City to terminate the Agreement to the extent required by the Use of Criminal History Provisions. Any such termination of this Agreement pursuant to the Use of Criminal History Provisions shall be subject to the termination provisions set forth in Section 2.07 of this Agreement.

Section 8.05. Adoption or Enaction of Changes, Additions, Amendments or Modifications Not Applicable to Bank After Delivery of Tier Two Termination Notice. During the term of this Agreement, the City shall use its commercially reasonable efforts to provide the Bank with notice of any adopted or enacted changes, additions, amendments or modifications to the Equal Employment Practices, Affirmative Action Program, Child Support Provisions, the Measure H Ordinance and the Use of Criminal History Provisions, within seven (7) Business Days after the adoption or enactment thereof; provided that the Bank acknowledges that the City's failure to provide such information shall not constitute an Event of Default.

Any changes, additions, amendments or modifications to the Equal Employment Practices, Affirmative Action Program, Child Support Provisions, the Use of Criminal History Provisions or Measure H Ordinance, as applicable, made on or after the date of receipt by the City of a Tier Two Termination Notice shall not apply to the Bank unless such Tier Two Termination Notice is rescinded.

To the best of the Bank's knowledge, based on reasonable inquiry, as of the Amendment Effective Date the Bank is in compliance with the Equal Employment Practices, Affirmative Action Program, the Child Support Provisions, the Use of Criminal History Provisions and Measure H Ordinance as of the Amendment Effective Date.

Section 8.06. Contracting Forms. The forms required for contracting with the City previously submitted to the City by the Bank in connection with this Agreement are hereby affirmed and are hereby incorporated by reference with the same effect as if each and every such form was set forth herein in its entirety.²

ARTICLE IX.

MISCELLANEOUS

Section 9.01. Amendments, Waivers, Etc. No amendment or waiver of any provision of this Agreement, or consent to any departure by the City therefrom, shall in any event be effective unless the same shall be in writing and signed by the Bank, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided, however,* that no amendment, waiver or consent shall, unless in writing and signed by the Bank, affect the rights or duties of the Bank under this Agreement or any other Program Document.

Section 9.02. Notices. All notices, requests, demands, directions and other communications (collectively "notices") under the provisions of this Agreement shall be in writing (including facsimile communication), unless otherwise expressly permitted hereunder, and shall be sent by first-class mail or overnight delivery and shall be deemed received as follows: (i) if by first-class mail, five (5) Business Days after mailing; (ii) if by overnight delivery, when signed for

² The City has requested new forms to be completed (see footnote 1).

against receipt thereof; (iii) if by telephone, when given to a person who confirms such receipt; and (iv) if by facsimile, when confirmation of receipt is obtained; provided that all notices, presentations, and demands under the Letter of Credit shall be made and be deemed received in the manner and when provided in the Letter of Credit. All notices shall be sent to the applicable party at the following address or in accordance with the last unrevoked written direction from such party to the other parties hereto:

to the City:

City of Los Angeles/CAO
200 North Main Street, Room 1500
Los Angeles, California 90012
Facsimile: (213) 473-7540
Telephone: (213) 473-7500
Attention: Debt Management Group
Email: cao.debt@lacity.org

with a copy to:

Los Angeles City Attorney
200 North Main Street, Room 920
Los Angeles, California 90012
Facsimile: 213-978-7714
Telephone Main Office: 213-978-8700
Telephone Direct Line: 213-978-7788
Attention: Public Finance

to the Bank with
respect to credit matters:

Barclays Bank PLC
745 Seventh Avenue, 19th Floor
New York, New York 10019
Attention: Cassandra Bolz
Telephone: (212) 526-3974
Facsimile: ([]) []-[]

to the Bank,
with respect to
Drawings under
the Letter of Credit:

Barclays Bank PLC
745 Seventh Avenue
New York, New York 10166
Attention: Letter of Credit Department
Telephone: (201) 499-2081 or (201) 499-6388
Facsimile: (212) 412-5011

to the Issuing and
Paying Agent

U.S. Bank National Association
100 Wall Street, 16th Floor
New York, New York 10005
Telephone: (212) 361-6140
Facsimile: (212) 509-4529
Attention: Corporate Trust Division

to the Dealers:

Barclays Capital Inc.
745 Seventh Avenue, 2nd Floor
New York, New York 10019

Attention: Public Finance – Short Term Products
Telephone: (212) 526-2093
Facsimile: (646) 758-1905

Citigroup Global Markets Inc.
390 Greenwich Street, 2nd Floor
New York, New York 10013
Attn: Manager, Short Term Finance Group
Telephone: (212) 723-5688
Facsimile: (212) 723-8809

The Bank may rely on any notice (including telephone communication) purportedly made by or on behalf of the other, and shall have no duty to verify the identity or authority of the Person giving such notice, unless such actions or omissions would amount to gross negligence or intentional misconduct.

Section 9.03. Survival of Covenants; Successors and Assigns. (a) All covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the making of any Drawing or Advance hereunder and shall continue in full force and effect and until all Obligations hereunder, under the Fee Letter and under the Bank Note shall have been paid in full. Whenever in this Agreement and the Fee Letter any of the parties hereto and thereto is referred to, such reference shall, subject to the last sentence of this Section, be deemed to include the successors and assigns of such party, and all covenants, promises and agreements by or on behalf of the City which are contained in this Agreement, the Fee Letter and the Bank Note shall inure to the benefit of the successors and assigns of the Bank. The City may not transfer its rights or obligations under this Agreement, the Fee Letter or the Bank Note without the prior written consent of the Bank. The Bank may transfer some or all of its rights and obligations under this Agreement and the Letter of Credit with the prior written consent of the City (which consent shall not be withheld unreasonably); *provided* that (i) the City has received written notice from each Rating Agency then rating the Commercial Paper Notes that the transfer shall not cause the lowering, withdrawal or suspension of any ratings then existing on the Commercial Paper Notes; and (ii) the Bank shall be responsible for all costs resulting from the transfer. This Agreement, the Fee Letter and the Bank Note are made solely for the benefit of the City, the Bank, and no other Person (including, without limitation, the Issuing and Paying Agent, any Dealer or any holder of Commercial Paper Notes) shall have any right, benefit or interest under or because of the existence of this Agreement, the Fee Letter or the Bank Note.

(b) Notwithstanding the foregoing, the Bank shall be permitted to grant to one or more financial institutions (each a “*Participant*”) a participation or participations in all or any part of the Bank’s rights and benefits under this Agreement, the Letter of Credit, the Fee Letter and the Bank Note on a participating basis but not as a party to this Agreement, the Letter of Credit, the Fee Letter or the Bank Note (a “*Participation*”) without the consent of the City. In the event of any such grant by the Bank of a Participation to a Participant, the Bank shall remain responsible for the performance of its obligations hereunder and under the Letter of Credit, and the City shall continue to deal solely and directly with the Bank in connection with the Bank’s rights and obligations hereunder and thereunder. The City agrees that each Participant shall, to the extent of

its Participation, be entitled to the benefits of this Agreement, the Letter of Credit, the Fee Letter and the Bank Note as if such Participant were the Bank; *provided* that no Participant shall have the right to declare, or to take actions in response to, an Event of Default under Section 7.01 hereof; *provided further* that all references to “Taxing Jurisdiction” in Section 2.13 hereof shall also refer to any jurisdiction, taxing authority or taxing jurisdiction in which the Participant is organized, has its principal place of business, is managed and controlled or from which or through which payments to or from the Participant are made; and provided further that no such Participant shall be entitled to receive payment pursuant to Section 2.14 hereof in an amount greater than the amount which would have been payable had the Bank not granted a Participation to such Participant; provided further that the City’s liability to any Participant shall not in any event exceed that liability which the City would owe to the Bank but for such participation.

Section 9.04. Unconditional Obligations. The obligations of the City under this Agreement, the Fee Letter and the Bank Note shall be absolute, unconditional, irrevocable and payable strictly in accordance with the terms of the Resolution, the Issuing and Paying Agent Agreement, this Agreement, the Fee Letter and the Bank Note, under all circumstances whatsoever, including, without limitation, the following (*provided* that the payment obligations of the City under this Agreement, the Fee Letter and the Bank Note are subject in all respects to the provisions of Section 2.16(d) hereof):

- (a) any lack of validity or enforceability of this Agreement, the Fee Letter, the Letter of Credit, the Bank Note or, to the extent permitted by Law, the Commercial Paper Notes, the Resolution, the Issuing and Paying Agent Agreement, or any other Program Document;
- (b) any amendment or waiver of or any consent to departure from the terms of the Resolution, the Issuing and Paying Agent Agreement, or all or any of the other Program Documents to which the Bank has not consented in writing;
- (c) the existence of any claim, counterclaim, set off, recoupment, defense, or other right which any Person may have at any time against the Bank, the City, the Issuing and Paying Agent, any Dealer, or any other Person, whether in connection with this Agreement, the Fee Letter, the Bank Note, the Resolution, the Issuing and Paying Agent Agreement, the other Program Documents, or any other transaction related thereto;
- (d) any statement or any other document presented pursuant hereto or pursuant to the Letter of Credit which the Bank in good faith determines to be valid, sufficient or genuine and which subsequently proves to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;
- (e) payment by the Bank of a Drawing or an Advance against presentation of a request which the Bank in good faith determines to be valid, sufficient or genuine and which subsequently is found not to comply with the terms of this Agreement; and
- (f) any other circumstances or happening whatsoever whether or not similar to any of the foregoing.

Section 9.05. LIABILITY OF BANK; INDEMNIFICATION. (a) TO THE FULLEST EXTENT PERMITTED BY THE LAWS OF THE STATE, THE CITY ASSUMES ALL RISKS

OF THE ACTS OR OMISSIONS OF THE ISSUING AND PAYING AGENT, THE DEALER, AND THE OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES OF EITHER OR BOTH OF THEM (COLLECTIVELY, THE “*CP SELLERS*”) WITH RESPECT TO THE USE OF THE LETTER OF CREDIT AND THE USE OF PROCEEDS THEREUNDER; *PROVIDED* THAT THIS ASSUMPTION WITH RESPECT TO THE BANK IS NOT INTENDED TO AND SHALL NOT PRECLUDE THE CITY FROM PURSUING SUCH RIGHTS AND REMEDIES AS IT MAY HAVE AGAINST ANY CP SELLER UNDER ANY OTHER AGREEMENTS. NEITHER THE BANK NOR ANY OF ITS OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS SHALL BE LIABLE OR RESPONSIBLE FOR (I) THE USE OF THE LETTER OF CREDIT, THE DRAWINGS OR ADVANCES THEREUNDER OR HEREUNDER, THE PROCEEDS OF THE COMMERCIAL PAPER NOTES OR THE TRANSACTIONS CONTEMPLATED HEREBY AND BY THE PROGRAM DOCUMENTS OR FOR ANY ACTS OR OMISSIONS OF ANY CP SELLER; (II) THE VALIDITY, SUFFICIENCY OR GENUINENESS OF ANY DOCUMENTS DETERMINED IN GOOD FAITH BY THE BANK TO BE VALID, SUFFICIENT OR GENUINE, EVEN IF SUCH DOCUMENTS SHALL, IN FACT, PROVE TO BE IN ANY OR ALL RESPECTS INVALID, FRAUDULENT, FORGED OR INSUFFICIENT; (III) PAYMENTS BY THE BANK AGAINST PRESENTATION OF REQUESTS FOR DRAWINGS OR REQUESTS FOR WHICH THE BANK IN GOOD FAITH HAS DETERMINED TO BE VALID, SUFFICIENT OR GENUINE AND WHICH SUBSEQUENTLY ARE FOUND NOT TO COMPLY WITH THE TERMS OF THIS AGREEMENT OR THE LETTER OF CREDIT; (IV) ANY MECHANICAL ERROR, OMISSION, INTERRUPTION OR DELAY IN THE TRANSMISSION, DISPATCH OR DELIVERY OR ANY MESSAGE OR ADVICE, HOWEVER TRANSMITTED IN CONNECTION WITH THIS AGREEMENT OR THE LETTER OF CREDIT; OR (V) ANY OTHER CIRCUMSTANCES WHATSOEVER IN MAKING OR FAILING IN GOOD FAITH TO MAKE PAYMENT HEREUNDER OR UNDER THE LETTER OF CREDIT; *PROVIDED* THAT THE CITY SHALL NOT BE REQUIRED TO INDEMNIFY THE BANK FOR ANY CLAIMS, LOSSES, LIABILITIES, COSTS OR EXPENSES TO THE EXTENT, BUT ONLY TO THE EXTENT, SOLELY AND DIRECTLY CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE BANK.

(b) TO THE EXTENT PERMITTED BY THE LAWS OF THE STATE OF CALIFORNIA, THE CITY HEREBY INDEMNIFIES AND HOLDS HARMLESS THE BANK AND ANY OF ITS OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS FROM AND AGAINST ANY AND ALL DIRECT, AS OPPOSED TO CONSEQUENTIAL OR PUNITIVE CLAIMS, DAMAGES (THE RIGHT TO RECEIVE CONSEQUENTIAL OR PUNITIVE DAMAGES BEING HEREBY WAIVED), LOSSES, LIABILITIES, COSTS OR EXPENSES (INCLUDING SPECIFICALLY REASONABLE ATTORNEYS’ FEES) WHICH THE BANK OR ANY OF ITS OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS MAY INCUR BY REASON OF OR IN CONNECTION WITH (I) THE EXECUTION AND DELIVERY OF THIS AGREEMENT, THE FEE LETTER, THE LETTER OF CREDIT AND THE BANK NOTE AND THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY; AND (II) THE STATEMENTS CONTAINED IN THE OFFERING MEMORANDUM PREPARED AND DISTRIBUTED IN CONNECTION WITH THE COMMERCIAL PAPER NOTES; *PROVIDED* THAT THE CITY SHALL NOT BE REQUIRED TO INDEMNIFY THE BANK, AND THE CITY SHALL HAVE A CAUSE OF ACTION AGAINST THE BANK, AND THE BANK SHALL BE LIABLE, FOR ANY DIRECT, AS OPPOSED TO CONSEQUENTIAL OR

PUNITIVE CLAIMS, DAMAGES (THE RIGHT TO RECEIVE CONSEQUENTIAL OR PUNITIVE DAMAGES BEING HEREBY WAIVED), LOSSES, LIABILITIES, COSTS OR EXPENSES (A) TO THE EXTENT, BUT ONLY TO THE EXTENT, SOLELY AND DIRECTLY CAUSED BY (1) THE BANK'S WILLFUL MISCONDUCT OR GROSS NEGLIGENCE IN DETERMINING WHETHER THE DOCUMENTS PRESENTED UNDER THE LETTER OF CREDIT COMPLY WITH THE TERMS OF THE LETTER OF CREDIT (IT BEING UNDERSTOOD AND AGREED BY THE PARTIES HERETO THAT IN MAKING SUCH PAYMENT THE BANK'S EXCLUSIVE RELIANCE ON THE DOCUMENTS PRESENTED TO THE BANK IN ACCORDANCE WITH THE TERMS OF THE LETTER OF CREDIT AS TO ANY AND ALL MATTERS SET FORTH THEREIN, WHETHER OR NOT ANY SUCH STATEMENT OR ANY SUCH DOCUMENT PRESENTED TO THE BANK PURSUANT TO THE LETTER OF CREDIT PROVES TO BE FORGED, FRAUDULENT, INVALID OR INSUFFICIENT IN ANY RESPECT OR ANY STATEMENT THEREIN PROVES TO BE UNTRUE OR INACCURATE IN ANY RESPECT WHATSOEVER SHALL NOT BE DEEMED WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF THE BANK); OR (2) THE BANK'S WILLFUL OR GROSSLY NEGLIGENT FAILURE TO MAKE LAWFUL PAYMENT UNDER THE LETTER OF CREDIT AFTER THE PROPER PRESENTATION TO THE BANK BY THE ISSUING AND PAYING AGENT OR A SUCCESSOR ISSUING AND PAYING AGENT UNDER THE RESOLUTION OF A DRAWING STRICTLY COMPLYING WITH THE TERMS AND CONDITIONS OF THE LETTER OF CREDIT, UNLESS SUCH FAILURE SHALL HAVE RESULTED FROM CIRCUMSTANCES BEYOND THE CONTROL OF THE BANK; OR (B) INCURRED IN CONNECTION WITH THE MATERIAL INACCURACY OF THE STATEMENTS CONTAINED IN THE OFFERING MEMORANDUM UNDER THE CAPTION "THE BANKS-BARCLAYS BANK PLC" THAT WERE FURNISHED IN WRITING, OR OTHERWISE CONSENTED TO IN WRITING, BY THE BANK EXPRESSLY FOR INCLUSION THEREIN. The Bank is hereby expressly authorized and directed to honor any demand for payment which is made under the Letter of Credit without regard to, and without any duty on its part to inquire into the existence of, any disputes or controversies between the City, any Dealer, the Issuing and Paying Agent or any other person or the respective rights, duties or liabilities of any of them, or whether any facts or occurrences represented in any of the documents presented under the Letter of Credit are true and correct.

Section 9.06. Expenses and Taxes. The City will promptly pay (a) the reasonable fees and expenses set forth in the Fee Letter; (b) the reasonable fees and disbursements of counsel to the Bank with respect to advising the Bank as to the rights and responsibilities under this Agreement and the Fee Letter after the occurrence of an Event of Default; and (c) all reasonable costs and expenses, if any, in connection with the enforcement of this Agreement and the Fee Letter and any other documents which may be delivered in connection herewith or therewith, including in each case the fees and disbursements of counsel to the Bank. In addition, the City shall pay any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of this Agreement and the Fee Letter and the security contemplated by the Program Documents and any related documents and agrees to hold the Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees. In addition, the City agrees to pay, after the occurrence of an Event of Default, all costs and expenses (including attorneys' fees and costs of settlement) incurred by the Bank in enforcing any obligations or in collecting any payments due from the City hereunder or under the Fee Letter by reason of such Event of Default

or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement or the Fee Letter in the nature of a “workout” or of any insolvency or bankruptcy proceedings.

Section 9.07. No Waiver; Conflict. Neither any failure nor any delay on the part of the Bank in exercising any right, power or privilege hereunder, nor any course of dealing with respect to any of the same, shall operate as a waiver thereof, preclude any other or further exercise thereof nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. To the extent of any conflict between this Agreement, the Letter of Credit, the Resolution and any other Program Documents, this Agreement shall control solely as between the City and the Bank.

Section 9.08. Modification, Amendment, Waiver, Etc. No modification, amendment or waiver of any provision of this Agreement, the Fee Letter or the Bank Note shall be effective unless the same shall be in writing and signed by the parties hereto.

Section 9.09. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction, and all other remaining provisions hereof will be construed to render them enforceable to the fullest extent permitted by Law.

Section 9.10. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but when taken together shall constitute but one agreement and any of the parties hereto may execute this Agreement by signing any such counterpart.

Section 9.11. Table of Contents; Headings. The table of contents and the section and subsection headings used herein have been inserted for convenience of reference only and do not constitute matters to be considered in interpreting this Agreement.

Section 9.12. ENTIRE AGREEMENT. THIS AGREEMENT AND THE FEE LETTER, TOGETHER WITH THE BANK NOTE REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES HERETO AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES HERETO.

Section 9.13. Governing Law. (a) This Agreement shall be governed by and construed in accordance with the laws of the State of California.

(b) THE PARTIES HERETO HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION OF THE FEDERAL AND STATE COURTS OF THE STATE OF CALIFORNIA AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION, SUIT OR PROCEEDING BROUGHT AGAINST OR BY IT IN CONNECTION WITH THIS AGREEMENT OR ANY RELATED DOCUMENT OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT RELATED THERETO, AND THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREE THAT ALL

CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD OR DETERMINED IN SUCH CALIFORNIA FEDERAL OR STATE COURT.

(c) The covenants and consents made pursuant to this Section 9.13 shall be irrevocable and unmodifiable, whether in writing or orally, and shall be applicable to any subsequent amendments, renewals, supplements or modifications of this Agreement. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

Section 9.14. Right of Set-off. To the fullest extent permitted by the Laws of the State, upon the occurrence and during the continuance of an Event of Default, the Bank is hereby authorized at any time and from time to time without notice to the City (any such notice being expressly waived by the City), and to the fullest extent permitted by Law, to exercise any right of set-off with respect to any and all balances, credits, deposits (general or special, time or demand, provisional or final), accounts or monies at any time held and other Debt at any time owing by the Bank to or for the account of the City and constituting Revenues (irrespective of the currency in which such accounts, monies or Debt may be denominated and the Bank are authorized to convert such accounts, monies and Debt into U.S. dollars) against any and all of the obligations of the City under this Agreement, the Fee Letter and the Bank Note, whether or not the Bank shall have made any demand with respect thereto.

The rights of the Bank under this section are in addition to, in augmentation of, and do not derogate from or impair, other rights and remedies (including, without limitation, other rights of set-off) which the Bank may have. The Bank agrees to promptly notify the City after any such set-off and application referred to above, provided that failure to give such notice shall not affect the validity of such set-off and application.

Section 9.15. USA Patriot Act; Government Regulations. The Bank hereby notifies the City that pursuant to the requirements of the Patriot Act, the Bank is required to obtain, verify and record information that identifies the City, which information includes the name and address of the City and other information that will allow the Bank to identify the City in accordance with the Patriot Act. The City shall, promptly following a request by the Bank, provide all documentation and other information that the Bank reasonably requests in order to comply with its ongoing obligations under applicable Law or regulation, including, without limitation, “know your customer” and anti-money laundering rules and regulations, including the Patriot Act, and shall comply with all applicable Bank Secrecy Act (“BSA”) laws and regulations, as amended.

The City hereby represents and warrants and covenants and agrees (a) that it is not and shall not be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the Office of Foreign Assets Control (“OFAC”), the Department of the Treasury or included in any Executive Orders, that prohibits or limits the Bank from making any advance or extension of credit to the City or from otherwise conducting business with the City and (b) to ensure that the proceeds of the Commercial Paper Notes shall not be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto.

Section 9.16. Dealing with the City, the Issuing and Paying Agent, and/or the Dealer. Nothing in this Agreement shall prevent the Bank and its affiliates from accepting deposits from,

extending credit to and generally engaging in any kind of banking, trust or other business with the City, the Issuing and Paying Agent, and/or any Dealer regardless of the capacity of the Bank hereunder.

Section 9.17. Arm's Length Transaction. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Program Document), the City acknowledges and agrees that: (a) (i) the services regarding this Agreement, the Letter of Credit and the Fee Letter provided by the Bank and any affiliate thereof are arm's-length commercial transactions between the City, on the one hand, and the Bank and its affiliates, on the other hand, (ii) the City has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the City is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Program Documents; (b) (i) the Bank and its affiliates each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor (including, without limitation, as a financial advisor or municipal advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended, and the related final rules)), or agent or fiduciary, for the City, or any other Person, (ii) the Bank has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 as amended, to the City with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether the Bank or any of its affiliates has provided other services or is currently providing other services to the City on other matters) and (iii) neither the Bank nor any of its affiliates has any obligation to the City with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Program Documents; (c) the Bank and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the City, and neither the Bank nor any of its affiliates has any obligation to disclose any of such interests to the City and (d) the Bank has not provided any advice or assumed any advisory or fiduciary responsibility in favor of the City with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Bank, or any affiliate of the Bank, has provided other services or advised, or is currently providing other services or advising the City on other matters) and the Bank is not recommending that the City take an action with respect to the transaction described in this Agreement and the other Program Documents.

Section 9.18. Amendment and Restatement. This Agreement amends and restates in its entirety the Prior Amended and Restated Reimbursement Agreement and from and after the Amendment Effective Date all references made to the Prior Amended and Restated Reimbursement Agreement in any Document or in any other instrument or document shall without more, be deemed to refer to this Agreement. This Agreement shall become effective and supersede all provisions of the Prior Amended and Restated Reimbursement Agreement upon the execution of this Agreement by each of the parties hereto and the fulfillment of all conditions precedent hereof but is not intended to be or operate as a novation or an accord and satisfaction of the Prior Amended and Restated Reimbursement Agreement or the indebtedness, obligations and liabilities of the City evidenced or provided for thereunder.

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IN WITNESS WHEREOF, the City and the Bank have duly executed this Second Amended and Restated Reimbursement Agreement as of the date first above written.

CITY OF LOS ANGELES

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:
MICHAEL N. FEUER, City Attorney

Date: October 15, 2021

By _____
Deputy/Assistant City Attorney

BARCLAYS BANK PLC

By: _____
Name: Cassandra Bolz
Title: Authorized Signatory for and on
behalf of Barclays Bank PLC

APPENDIX I
FORM OF ORIGINAL LETTER OF CREDIT

[See attached pages]

APPENDIX II

**FORM OF FIRST OMNIBUS AMENDMENT AND NOTICE OF EXTENSION OF
LETTER OF CREDIT EXPIRATION DATE**

[See attached pages]

APPENDIX II

(to Second Amended and Restated Reimbursement Agreement)

APPENDIX III

**FORM OF SECOND OMNIBUS AMENDMENT AND NOTICE OF EXTENSION OF
LETTER OF CREDIT EXPIRATION DATE**

[See attached pages]

APPENDIX III

(to Second Amended and Restated Reimbursement Agreement)

EXHIBIT A

[FORM OF TIER ONE STOP ISSUANCE INSTRUCTION]

[Dated Date]

City of Los Angeles/CAO,
200 North Main Street, Room 1500
Los Angeles, California 90012
Attention: Debt Management Group

U.S. Bank National Association,
as Issuing and Paying Agent
100 Wall Street
Suite 1600
New York, New York 10005
Attention: Corporate Trust Division

Re: City of Los Angeles
Wastewater System Commercial Paper Revenue Notes
Tax-Exempt Series A-1 Notes and Taxable Series B-1 Notes

Ladies and Gentlemen:

Pursuant to Sections 3.02(b) and 7.02(b) of that certain Second Amended and Restated Reimbursement Agreement, dated as of October 15, 2021 (the “*Reimbursement Agreement*”), by and between the City of Los Angeles (the “City”) and the undersigned, as Bank, you are hereby notified that (a) either (1) an “Event of Default” under Section 7.01() of the Reimbursement Agreement has occurred and is now continuing or (2) one or more of the representations and warranties of the City set forth in the Reimbursement Agreement, are in the reasonable opinion of the Bank, no longer true and correct in all material respects; (b) upon receipt of this notice, (i) no new Commercial Paper Notes, as defined in the Reimbursement Agreement, shall be issued or authenticated on or after the date hereof, (ii) the Stated Amount of the Letter of Credit shall be permanently reduced to the principal amount of Commercial Paper Notes outstanding on the date of your receipt this Tier One Stop Issuance Instruction plus interest thereon to maturity (“*Outstanding Notice Amount*”), (iii) the Stated Amount of the Letter of Credit shall be further permanently reduced following the Bank honoring the related Drawing upon the maturity of any such Commercial Paper Notes (or with respect to the Tier One Final Drawing Notice, upon the Bank honoring the final Drawing), and shall be further permanently reduced from time to time as otherwise may be provided in the Letter of Credit and (iv) the Stated Amount shall no longer be reinstated following any Drawings. Capitalized terms used herein and not defined herein having their respective meanings set forth in the Reimbursement Agreement.

EXHIBIT A

(to Second Amended and Restated Reimbursement Agreement)

3602091.4 045183 AGMT

This Tier One Stop Issuance Instruction shall remain in effect unless you have received written notification from us that this Tier One Stop Issuance Instruction has been rescinded.

Very truly yours,

BARCLAYS BANK PLC, as Bank

By: _____
Name: _____
Title: _____

ACCEPTED AND ACKNOWLEDGED BY:

U.S. Bank National Association, as Issuing and Paying Agent, hereby accepts this Tier One Stop Issuance Instruction on _____, 20__ (the “*Acceptance Date*”) and acknowledges that it has ceased issuing Commercial Paper Notes as of the Acceptance Date; *provided, however*, that the failure of U.S. Bank National Association to acknowledge this Tier One Stop Issuance Instruction shall not affect the effectiveness of this Tier One Stop Issuance Instruction. U.S. Bank Trust National Association, as Issuing and Paying Agent, hereby certifies that the Outstanding Notice Amount (which is the principal amount of Commercial Paper Notes outstanding as of the Acceptance Date plus interest thereon to maturity) equals \$_____, and therefore the Stated Amount of the Letter of Credit is hereby permanently reduced to such amount as of the Acceptance Date.

U.S. BANK NATIONAL ASSOCIATION, as Issuing and Paying Agent

By: _____
Name: _____
Title: _____

cc: **[DEALER]**
 [RATING AGENCIES]

EXHIBIT B

[FORM OF BANK NOTE]

SECOND AMENDED AND RESTATED BANK NOTE

\$124,000,000 Maximum Principal Amount

October 15, 2021

FOR VALUE RECEIVED, the undersigned, the CITY OF LOS ANGELES (the “Borrower”), hereby promises to pay to the order of BARCLAYS BANK PLC (the “Bank”) at its principal office at 745 Seventh Avenue, 19th Floor, New York, New York 10019, in the manner and on the dates provided in the hereinafter defined Agreement in lawful money of the United States of America and in immediately available funds, the principal amount equal to the aggregate unreimbursed amount of the Advances made by the Bank pursuant to the Agreement not to exceed One Hundred Twenty-Four Million Dollars (\$124,000,000). This Bank Note amends and restates the City’s amended and restated promissory note payable to the order of the Bank previously executed and delivered by the City to the Bank on October 23, 2018. Terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Second Amended and Restated Reimbursement Agreement, dated as of October 15, 2021 (as the same may be amended, modified or restated, the “Agreement”), by and between the Borrower and the Bank, as from time to time in effect.

The Borrower further promises to pay interest from the date hereof on the outstanding principal amount hereof and unpaid interest hereon from time to time at the rates and times and in all cases in accordance with the terms of the Agreement. The Bank may endorse its records relating to this Bank Note with appropriate notations evidencing the Advances under the Agreement and payments of principal hereunder as contemplated by the Agreement.

This Bank Note is issued pursuant to, is entitled to the benefits of, and is subject to, the provisions of the Agreement and that certain (i) that certain Wastewater System Subordinate Revenue Bonds General Resolution, adopted March 26, 1991 (the “*Subordinate General Resolution*”), as amended from time to time, including by that certain Amended and Restated First Supplemental Resolution adopted on October 8, 2021 (“*A&R First Supplemental Resolution*,” and as further amended, restated, supplemented or otherwise modified in accordance with the terms thereof, the “*Supplemental Resolutions*”, and collectively with the Subordinate General Resolution as heretofore amended and as the same may be amended, modified or restated in accordance with the terms thereof, the “*Resolution*”) and (ii) that certain Second Amended and Restated Issuing and Paying Agent Agreement, dated as of October 1, 2021 (as the same may be amended, modified or restated, the “*Issuing and Paying Agent Agreement*”), by and between the City and U.S. Bank National Association, as Issuing and Paying Agent and its successors and assigns (the “*Issuing and Paying Agent*”). The principal of this Bank Note is subject to prepayment in whole or in part in accordance with the terms of the Agreement.

The parties hereto, including the undersigned maker and all guarantors, endorsers and pledgors that may exist at any time with respect hereto, hereby waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance

EXHIBIT B

(to Second Amended and Restated Reimbursement Agreement)

3602091.4 045183 AGMT

and enforcement of this Bank Note and assent to the extensions of the time of payment or forbearance or other indulgence without notice.

This Bank Note and the obligations of the borrower hereunder shall for all purposes be governed by and interpreted and determined in accordance with the laws of the State of California (excluding the laws applicable to conflicts or choice of law).

NEITHER THE FAITH AND THE CREDIT NOR THE TAXING POWER OF THE CITY OF LOS ANGELES, THE STATE OF CALIFORNIA OR ANY PUBLIC AGENCY, OTHER THAN THE BORROWER TO THE EXTENT OF THE REVENUES, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS NOTE. NONE OF THE PROPERTIES OF THE AIRPORT SYSTEM ARE SUBJECT TO ANY MORTGAGE OR OTHER LIEN FOR THE BENEFIT OF THE BANK. THE BORROWER HAS NO POWER OF TAXATION.

THIS NOTE AND THE INTEREST THEREON IS JUNIOR AND SUBORDINATE IN ALL RESPECTS TO THE SENIOR LIEN BONDS AS TO LIEN ON AND SOURCE AND SECURITY FOR PAYMENT FROM THE REVENUES.

IN WITNESS WHEREOF, the Borrower has caused this Second Amended and Restated Bank Note to be signed in its name as an instrument by its duly authorized officer on the date and in the year first above written.

CITY OF LOS ANGELES

By: _____

Name: _____

Title: Assistant City Administrative Officer

Attest:

By: _____

Name: _____

Title: City Clerk

EXHIBIT C

[FORM OF REQUEST FOR EXTENSION]

Barclays Bank PLC
745 Seventh Avenue, 19th Floor
New York, New York 10019
Attention: Cassandra Bolz
Telephone: (212) 526-3974
Facsimile: ([]) []-[]

cc: Via Facsimile to ([]) []-[]

Re: Request for Extension of Irrevocable Transferable
Direct Pay Letter of Credit No. SB-02224

Ladies and Gentlemen:

Pursuant to Section 2.12 of that certain Second Amended and Restated Reimbursement Agreement, dated as of October 15, 2021 (the "*Reimbursement Agreement*"), by and between the City of Los Angeles (the "*City*") and Barclays Bank PLC (the "*Bank*"), the City hereby requests that the Letter of Credit Expiration Date be extended for a [] extension. All capitalized terms contained herein which are not specifically defined herein shall be deemed to have the definition set forth in the Reimbursement Agreement.

The Bank is requested to notify the City of its decision with respect to this request for extension within 30 days of the date of receipt of all information necessary, in the Bank's reasonable judgment, to permit the Bank to make an informed credit decision. If the Bank fails to notify the City of its decision within such 30 day period, the Bank shall be deemed to have rejected such request.

Very truly yours,

CITY OF LOS ANGELES

By: _____
Name: _____
Title: _____

cc: [Issuing and Paying Agent],
as Issuing and Paying Agent

EXHIBIT C

(to Second Amended and Restated Reimbursement Agreement)

3602091.4 045183 AGMT

EXHIBIT D

SECTION 10.8.3 OF THE LOS ANGELES ADMINISTRATIVE CODE

Section 10.8.3. Equal Employment Practices Provisions.

Every non construction and construction Contract with, or on behalf of, the City of Los Angeles for which the consideration is \$1,000 or more shall contain the following provisions, which shall be designated as the **EQUAL EMPLOYMENT PRACTICES** provision of such contract:

A. During the performance of this Contract, the Contractor agrees and represents that it will provide Equal Employment Practices and the Contractor and each Subcontractor hereunder will ensure that in his or her Employment Practices persons are employed and employees are treated equally and without regard to, or because of, race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status or medical condition.

1. This provision applies to work or service performed or materials manufactured or assembled in the United States.

2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.

3. The Contractor agrees to post a copy of Paragraph A., hereof, in conspicuous places at its place of business available to employees and applicants for employment.

B. The Contractor will, in all solicitations or advertisements for employees placed by, or on behalf of, the Contractor, state that all qualified applicants will receive consideration for employment without regard to their race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status or medical condition.

C. At the request of the Awarding Authority or the DAA, the Contractor shall certify in the specified format that he or she has not discriminated in the performance of City Contracts against any employee or applicant for employment on the basis or because of race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status or medical condition.

D. The Contractor shall permit access to, and may be required to provide certified copies of, all of his or her records pertaining to employment and to employment practices by the awarding authority or the DAA for the purpose of investigation to ascertain compliance with the Equal Employment Practices provisions of City Contracts. Upon request, the Contractor shall provide evidence that he or she has or will comply therewith.

EXHIBIT D

(to Second Amended and Restated Reimbursement Agreement)

E. The failure of any Contractor to comply with the Equal Employment Practices provisions of this contract may be deemed to be a material breach of City Contracts. The failure shall only be established upon a finding to that effect by the Awarding Authority, on the basis of its own investigation or that of the DAA. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to the Contractor.

F. Upon a finding duly made that the Contractor has failed to comply with the Equal Employment Practices provisions of a City Contract, the Contract may be forthwith cancelled, terminated or suspended, in whole or in part, by the Awarding Authority, and all monies due or to become due hereunder may be forwarded to, and retained by, the City of Los Angeles. In addition thereto, the failure to comply may be the basis for a determination by the Awarding Authority or the DAA that the said Contractor is a non-responsible bidder or proposer pursuant to the provisions of Section 10.40 of this Code. In the event of such a determination, the Contractor shall be disqualified from being awarded a Contract with the City of Los Angeles for a period of two years, or until the Contractor shall establish and carry out a program in conformance with the provisions hereof.

G. Notwithstanding any other provision of this contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.

H. The Board of Public Works shall promulgate rules and regulations through the DAA, and provide necessary forms and required language to the Awarding Authorities to be included in City Request for Bids or Request for Proposal packages or in supplier registration requirements for the implementation of the Equal Employment Practices provisions of this Contract, and such rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive orders. No other rules, regulations or forms may be used by an Awarding Authority of the City to accomplish the contract compliance program.

I. Nothing contained in this Contract shall be construed in any manner so as to require or permit any act which is prohibited by law.

J. By affixing its signature on a Contract that is subject to this article, the Contractor shall agree to adhere to the Equal Employment Practices specified herein during the performance or conduct of City Contracts.

K. Equal Employment Practices shall, without limitation as to the subject or nature of employment activity, be concerned with employment practices, including, but not limited to:

1. hiring practices;
2. apprenticeships where approved programs are functioning and other on the job training for non apprenticeable occupations;
3. training and promotional opportunities; and

4. reasonable accommodations for persons with disabilities.

L. All Contractors subject to the provisions of this section shall include a similar provision in all subcontracts awarded for work to be performed under the Contract with the City, and shall impose the same obligations including, but not limited to, filing and reporting obligations, on the Subcontractors as are applicable to the Contractor. Subcontracts shall follow the same thresholds specified in Section 10.8.1.1. Failure of the Contractor to comply with this requirement or to obtain the compliance of its Subcontractors with all such obligations shall subject the Contractor to the imposition of any and all sanctions allowed by law, including, but not limited to, termination of the Contractor's Contract with the City.

SECTION HISTORY

Amended by: Ord. No. 147,030, Eff. 4-28-75; Subsecs. A., B., C., Ord. No. 164,516, Eff. 4-13-89; Subsec. C., Ord. No. 168,244, Eff. 10-18-92; Ord. No. 173,186, Eff. 5-22-00; Subsec. F., Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00; In Entirety, Ord. No. 184,292, Eff. 6-27-16.

EXHIBIT E

SECTION 10.8.4 OF THE LOS ANGELES ADMINISTRATIVE CODE

Section 10.8.4. Affirmative Action Program Provisions.

Every non construction and construction Contract with, or on behalf of, the City of Los Angeles for which the consideration is \$25,000 or more shall contain the following provisions which shall be designated as the **AFFIRMATIVE ACTION PROGRAM** provisions of such Contract:

A. During the performance of a City Contract, the Contractor certifies and represents that the Contractor and each Subcontractor hereunder will adhere to an Affirmative Action Program to ensure that in its employment practices, persons are employed and employees are treated equally and without regard to or because of race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status or medical condition.

1. This section applies to work or services performed or materials manufactured or assembled in the United States.

2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.

3. The Contractor shall post a copy of Paragraph A., hereof, in conspicuous places at its place of business available to employees and applicants for employment.

B. The Contractor shall, in all solicitations or advertisements for employees placed, by or on behalf of, the Contractor, state that all qualified applicants will receive consideration for employment without regard to their race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status or medical condition.

C. At the request of the Awarding Authority or the DAA, the Contractor shall certify on an electronic or hard copy form to be supplied, that the Contractor has not discriminated in the performance of City Contracts against any employee or applicant for employment on the basis or because of race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status or medical condition.

D. The Contractor shall permit access to, and may be required to provide certified copies of, all of its records pertaining to employment and to its employment practices by the Awarding Authority or the DAA for the purpose of investigation to ascertain compliance with the Affirmative Action Program provisions of City Contracts and, upon request, to provide evidence that it has or will comply therewith.

EXHIBIT E

(to Second Amended and Restated Reimbursement Agreement)

E. The failure of any Contractor to comply with the Affirmative Action Program provisions of City Contracts may be deemed to be a material breach of a City Contract. The failure shall only be established upon a finding to that effect by the Awarding Authority, on the basis of its own investigation or that of the DAA. No finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to the Contractor.

F. Upon a finding duly made that the Contractor has breached the Affirmative Action Program provisions of a City Contract, the Contract may be forthwith cancelled, terminated or suspended, in whole or in part, by the Awarding Authority, and all monies due or to become due hereunder may be forwarded to and retained by the City of Los Angeles. In addition thereto, the breach may be the basis for a determination by the Awarding Authority or the Board of Public Works that the Contractor is a non-responsible bidder or proposer pursuant to the provisions of Section 10.40 of this Code. In the event of such determination, the Contractor shall be disqualified from being awarded a contract with the City of Los Angeles for a period of two years, or until he or she shall establish and carry out a program in conformance with the provisions hereof.

G. In the event of a finding by the Fair Employment and Housing Commission of the State of California, or the Board of Public Works of the City of Los Angeles, or any court of competent jurisdiction, that the Contractor has been guilty of a willful violation of the California Fair Employment and Housing Act, or the Affirmative Action Program provisions of a City Contract, there may be deducted from the amount payable to the Contractor by the City of Los Angeles under the contract, a penalty of ten dollars for each person for each calendar day on which the person was discriminated against in violation of the provisions of a City Contract.

H. Notwithstanding any other provisions of a City Contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.

I. The Public Works Board of Commissioners shall promulgate rules and regulations through the DAA and provide to the Awarding Authorities electronic and hard copy forms for the implementation of the Affirmative Action Program provisions of City contracts, and rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive Orders. No other rules, regulations or forms may be used by an Awarding Authority of the City to accomplish this contract compliance program.

J. Nothing contained in City Contracts shall be construed in any manner so as to require or permit any act which is prohibited by law.

K. By affixing its signature to a Contract that is subject to this article, the Contractor shall agree to adhere to the provisions in this article for the duration of the Contract. The Awarding Authority may also require Contractors and suppliers to take part in a pre-registration, pre bid, pre proposal, or pre award conference in order to develop, improve or implement a qualifying Affirmative Action Program.

1. The Contractor certifies and agrees to immediately implement good faith effort measures to recruit and employ minority, women and other potential employees in a non-discriminatory manner including, but not limited to, the following actions as appropriate and available to the Contractor's field of work. The Contractor shall:

(a) Recruit and make efforts to obtain employees through:

(i) Advertising employment opportunities in minority and other community news media or other publications.

(ii) Notifying minority, women and other community organizations of employment opportunities.

(iii) Maintaining contact with schools with diverse populations of students to notify them of employment opportunities.

(iv) Encouraging existing employees, including minorities and women, to refer their friends and relatives.

(v) Promoting after school and vacation employment opportunities for minority, women and other youth.

(vi) Validating all job specifications, selection requirements, tests, etc.

(vii) Maintaining a file of the names and addresses of each worker referred to the Contractor and what action was taken concerning the worker.

(viii) Notifying the appropriate Awarding Authority and the DAA in writing when a union, with whom the Contractor has a collective bargaining agreement, has failed to refer a minority, woman or other worker.

(b) Continually evaluate personnel practices to assure that hiring, upgrading, promotions, transfers, demotions and layoffs are made in a non-discriminatory manner so as to achieve and maintain a diverse work force.

(c) Utilize training programs and assist minority, women and other employees in locating, qualifying for and engaging in the training programs to enhance their skills and advancement.

(d) Secure cooperation or compliance from the labor referral agency to the Contractor's contractual Affirmative Action Program obligations.

(e) Establish a person at the management level of the Contractor to be the Equal Employment Practices officer. Such individual shall have the authority to disseminate and enforce the Contractor's Equal Employment and Affirmative Action Program policies.

(f) Maintain records as are necessary to determine compliance with Equal Employment Practices and Affirmative Action Program obligations and make the records available to City, State and Federal authorities upon request.

(g) Establish written company policies, rules and procedures which shall be encompassed in a company-wide Affirmative Action Program for all its operations and Contracts. The policies shall be provided to all employees, Subcontractors, vendors, unions and all others with whom the Contractor may become involved in fulfilling any of its Contracts.

(h) Document its good faith efforts to correct any deficiencies when problems are experienced by the Contractor in complying with its obligations pursuant to this article. The Contractor shall state:

- (i) What steps were taken, how and on what date.
- (ii) To whom those efforts were directed.
- (iii) The responses received, from whom and when.
- (iv) What other steps were taken or will be taken to comply and when.
- (v) Why the Contractor has been or will be unable to comply.

2. Every contract of \$25,000 or more which may provide construction, demolition, renovation, conservation or major maintenance of any kind shall also comply with the requirements of Section 10.13 of the Los Angeles Administrative Code.

L. The Affirmative Action Program required to be submitted hereunder and the pre-registration, pre bid, pre proposal or pre award conference which may be required by the Awarding Authority shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:

- 1. Apprenticeship where approved programs are functioning, and other on the job training for non apprenticeable occupations;
- 2. Classroom preparation for the job when not apprenticeable;
- 3. Pre apprenticeship education and preparation;
- 4. Upgrading training and opportunities;
- 5. Encouraging the use of Contractors, Subcontractors and suppliers of all racial and ethnic groups; *provided, however*, that any contract subject to this ordinance shall require the Contractor, Subcontractor or supplier to provide not less than the prevailing wage, working conditions and practices generally observed in

private industries in the Contractor's, Subcontractor's or supplier's geographical area for such work;

6. The entry of qualified women, minority and all other journeymen into the industry; and

7. The provision of needed supplies or job conditions to permit persons with disabilities to be employed, and minimize the impact of any disability.

M. Any adjustments which may be made in the Contractor's work force to achieve the requirements of the City's Affirmative Action Program in purchasing and construction shall be accomplished by either an increase in the size of the work force or replacement of those employees who leave the work force by reason of resignation, retirement or death and not by termination, layoff, demotion or change in grade.

N. This ordinance shall not confer upon the City of Los Angeles or any Agency, Board or Commission thereof any power not otherwise provided by law to determine the legality of any existing collective bargaining agreement and shall have application only to discriminatory employment practices by Contractors engaged in the performance of City Contracts.

O. All Contractors subject to the provisions of this article shall include a similar provision in all subcontracts awarded for work to be performed under the Contract with the City and shall impose the same obligations including, but not limited to, filing and reporting obligations, on the Subcontractors as are applicable to the Contractor. Failure of the Contractor to comply with this requirement or to obtain the compliance of its Subcontractors with all such obligations shall subject the Contractor to the imposition of any and all sanctions allowed by law, including, but not limited to, termination of the Contractor's Contract with the City.

SECTION HISTORY

Amended by Ord. No. 147,030, Eff. 4-28-75; Subsecs. A., B., C., Ord. No. 164,516, Eff. 4-13-89; Subsecs. B. and C., Ord. No. 168,244, Eff. 10-18-92; Title and Section, Ord. No. 173,186, Eff. 5-22-00; Subsec. F., Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00; In Entirety, Ord. No. 184,292, Eff. 6-27-16.

EXHIBIT F

SECTION 10.10 OF THE LOS ANGELES ADMINISTRATIVE CODE

SECTION 10.10. CHILD SUPPORT ASSIGNMENT ORDERS.

a. Definitions.

1. **Awarding Authority** means a subordinate or component entity or person of the City (such as a City department or Board of Commissioners) that has the authority to enter into a contract or agreement for the provision of goods or services on behalf of the City of Los Angeles.

2. **Contract** means any agreement, franchise, lease or concession including an agreement for any occasional professional or technical personal services, the performance of any work or service, the provision of any materials or supplies, or the rendering of any service to the City of Los Angeles or to the public which is let, awarded or entered into with, or on behalf of, the City of Los Angeles or any awarding authority thereof.

3. **Contractor** means any person, firm, corporation, partnership or any combination thereof which submits a bid or proposal or enters into a contract with any awarding authority of the City of Los Angeles.

4. **Subcontractor** means any person, firm, corporation, partnership or any combination thereof who enters into a contract with a contractor to perform or provide a portion of any contract with the City.

5. **Principal Owner** means any person who owns an interest of 10 percent or more in a contractor or subcontractor as defined herein.

b. Mandatory Contract Provisions. Every contract that is let, awarded or entered into with or on behalf of the City of Los Angeles shall contain a provision obligating the contractor or subcontractor to fully comply with all applicable State and Federal employment reporting requirements for the contractor or subcontractor's employees. The contractor or subcontractor will also be required to certify that the principal owner(s) thereof are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally, that the contractor or subcontractor will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments in accordance with California Family Code §§5230 *et seq.* and that the contractor or subcontractor will maintain such compliance throughout the term of the contract.

Failure of a contractor or subcontractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignments or Notices of Assignment or failure of the principal owner(s) to comply with any Wage and Earnings Assignments or Notices of Assignment applicable to them personally shall constitute a default under the contract. Failure of the contractor or subcontractor or principal owner thereof to cure the default within 90 days of notice of such default by the City shall subject the contract to termination.

EXHIBIT F

(to Second Amended and Restated Reimbursement Agreement)

c. Notice to Bidders. Each awarding authority shall be responsible for giving notice of the provisions of this ordinance to those who bid on, or submit proposals for, prospective contracts with the City.

d. Current Contractor Compliance. Within 30 days of the operative date of this ordinance, the City, through its operating departments, shall serve upon existing contractors a written request that they and their subcontractors (if any) comply with all applicable State and Federal employment reporting requirements for the contractor and subcontractor's employees, that they certify that the principal owner(s) of the contractor and any subcontractor are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally, that the contractor and subcontractor will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments in accordance with California Family Code §§5230 et seq. and that the contractor and subcontractor will maintain such compliance throughout the term of the contract.

e. City's Compliance with California Family Code. The City shall maintain its compliance with the provisions of California Family Code §§5230 et seq. and all other applicable law regarding its obligations as an employer to implement lawfully served Wage and Earnings Assignments and Notices of Assignment.

f. Report of Employees' Names to District Attorney.

1. The City shall maintain its current practice of assisting the District Attorney's support enforcement activities by annually reporting to the Los Angeles County District Attorney the names of all of its employees and retirees so that the District Attorney may identify those employees and retirees subject to Wage and Earnings Assignment Orders and Notices of Assignment and may establish court orders for support, where appropriate. Should the District Attorney so request it, the City will provide such information on a more frequent basis.

2. All applicants for employment with the City of Los Angeles will be asked to acknowledge their responsibility to comply with any court ordered support obligations and will be advised of the City's practice of assisting the District Attorney as described in the provisions of Subsection f.1., above.

SECTION HISTORY

Added by Ord. No. 172,401, Eff.2-13-99.

EXHIBIT G

SECTION 10.48 OF THE LOS ANGELES ADMINISTRATIVE CODE CITY CONTRACTORS' USE OF CRIMINAL HISTORY FOR CONSIDERATION OF EMPLOYMENT APPLICATIONS

Section

- 10.48 Purpose.
- 10.48.1 Definitions.
- 10.48.2 Employment Application Procedures.
- 10.48.3 Employer Assessment of Criminal History.
- 10.48.4 Notice and Posting Requirements for Employers.
- 10.48.5 Retaliation Prohibited.
- 10.48.6 Record Retention.
- 10.48.7 Exceptions from Employment Application Procedures.
- 10.48.8 Enforcement.
- 10.48.9 Penalty/Administrative Fine Schedule.
- 10.48.10 Implementation.
- 10.48.11 Conflicts.
- 10.48.12 Promotion of General Welfare.
- 10.48.13 Severability.

Section 10.48. Purpose.

The City awards many contracts to private firms to provide services to the public and to City government. The City intends that the policies underlying this article serve to guide all of these expenditures of funds to the extent allowed by the law.

Studies show that the disclosure of a criminal conviction by job applicants on application forms often automatically excludes them from consideration of employment regardless of any relationship between the conduct underlying the conviction and the duties and responsibilities of the job, the length of time since the conduct occurred and the risk of the conduct reoccurring on the job. Automatic exclusion of persons with prior criminal convictions from consideration of employment prevents otherwise qualified applicants from obtaining employment and may result in employers hiring less qualified candidates, increases the risk of recidivism of persons so excluded from consideration and disparately impacts persons of certain races and national origin.

In 2013, the State Legislature passed and the Governor signed Assembly Bill No. 218, which amended the State's Labor Code to prevent the State and local governments from seeking disclosure of conviction history from employment applicants until the agency has determined the applicant meets the minimum employment qualifications. In April 2014, the City of Los Angeles implemented AB 218 by removing questions regarding criminal convictions from employment applications, reviewing a job applicant's criminal history only after a position eligibility list is prepared, and considering, among other things, the relationship between the conviction and the duties of the position.

EXHIBIT G

(to Second Amended and Restated Reimbursement Agreement)

In November 2015, the President of the United States announced that the federal government and federal contractors could not consider job applicants' criminal convictions in the initial stages of the employment process. Numerous other cities have similarly adopted regulations preventing inquiry into job applicants' criminal history until after it is determined they are qualified for the position.

This ordinance expands the rights afforded applicants for employment with the City's contractors and subcontractors. Specifically, such employers will be prohibited from inquiring into an employment applicant's criminal history unless and until a conditional offer of employment is made to the applicant. An employer that fails to comply with the requirements of this ordinance will be subject to, among other things, termination of its City contract.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

Sec. 10.48.1. Definitions.

The following definitions shall apply to this article:

A. **“Adverse Action”** means an Employer's withdrawal or cancellation of a Conditional Offer of Employment made to an Applicant or a failure or refusal to employ the Applicant.

B. **“Applicant”** means an individual who submits an application or other documentation for Employment.

C. **“Awarding Authority”** means any subordinate or component entity or person of the City, such as a department or Board of Commissioners that has the authority to award or enter into a Contract. This shall not include any department that has control of its own funds under Charter Section 500(c).

D. **“City”** means the City of Los Angeles and all Awarding Authorities.

E. **“Conditional Offer of Employment”** means a Contractor's or Subcontractor's offer of Employment to an Applicant conditioned only on an assessment of the Applicant's Criminal History, if any, and the duties and responsibilities of the Employment position.

F. **“Contract”** means any agreement, franchise, lease, or concession, including agreements for any occasional professional or technical personal services, for the performance of any work or service, the provision of any materials or supplies, or the rendition of any service to the City of Los Angeles or to the public, which is let, awarded or entered into with, or on behalf of, the City of Los Angeles or any awarding authority thereof.

G. **“Contractor”** means any Employer that enters into a Contract with the City.

H. **“Conviction”** means a record from any jurisdiction that includes information indicating that a person has been convicted of a felony or misdemeanor, provided that the conviction is one for which the person has been placed on probation, fined, imprisoned or paroled.

I. **“Criminal History”** means information regarding one or more Convictions, transmitted orally or in writing or by any other means, and obtained from any source, including, but not limited to, the individual to whom the information pertains and a Criminal History Report.

J. **“Criminal History Report”** means any criminal history report, including, but not limited to, those produced by the California Department of Justice, the Federal Bureau of Investigation, other law enforcement or police agencies, or courts, or by any consumer reporting agency or business or employment screening agency or business.

K. **“Designated Administrative Agency”** or **“DAA”** means the Department of Public Works, Bureau of Contract Administration, who shall bear administrative responsibilities under this article.

L. **“Employee”** means an individual who has Employment with an Employer.

M. **“Employer”** means any individual, firm, corporation, partnership, labor organization, group of persons, association, or other organization however organized, that enters into a Contract with the City, or a contract with a Contractor or Subcontractor, and that employs ten or more Employees, including the owner or owners and management and supervisory employees. “Employer” does not include any local governmental unit or any unit of the state government or the federal government.

N. **“Employment”** means any occupation, vocation, job or work performed in the City, including, but not limited to, temporary or seasonal work, part-time work, contracted work, contingent work, work on commission, and work through the services of a temporary or other employment agency, or any form of vocational or educational training with or without pay.

O. **“Fair Chance Process”** means an opportunity for an Applicant to provide information or documentation to an Employer regarding the accuracy of his/her Criminal History or Criminal History Report or that should be considered in the Employer’s assessment performed pursuant to Section 10.48.3(A), such as evidence of rehabilitation or other mitigating factors.

P. **“Inquire”** means any direct or indirect conduct intended to gather Criminal History information from or about an Applicant, using any mode of communication, including but not limited to application forms, interviews and Criminal History Reports.

Q. **“Subcontractor”** means any Employer that enters into a contract with a Contractor or Subcontractor to assist in performing the services to the City under a Contract.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

Section 10.48.2. Employment Application Procedures.

A Contractor or Subcontractor shall not include on any application for Employment any questions that seek the disclosure of an Applicant's Criminal History.

B. Contractor or Subcontractor shall not, at any time or by any means, inquire about or require disclosure of an Applicant's Criminal History unless and until a Conditional Offer of Employment has been made to the Applicant.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

Sec. 10.48.3. Employer Assessment of Criminal History.

A. A Contractor or Subcontractor shall not take an Adverse Action against an Applicant to whom a Conditional Offer of Employment has been made based on an Applicant's Criminal History unless the Contractor or Subcontractor performs a written assessment that effectively links the specific aspects of the Applicant's Criminal History with the risks inherent in the duties of the Employment position sought by the Applicant. In performing the assessment, the Contractor or Subcontractor shall, at a minimum, consider the factors identified by the United States Equal Employment Opportunity Commission and other factors as may be required by rules and guidelines promulgated by the DAA.

B. A Contractor or Subcontractor, prior to taking an Adverse Action against an Applicant, shall provide that person a Fair Chance Process, including the provision of written notification of the proposed Adverse Action, a copy of the written assessment performed pursuant to Section 10.48.3 A. and any other information or documentation supporting the Employer's proposed Adverse Action. The Contractor or Subcontractor shall not take an Adverse Action or fill the Employment position sought by the Applicant for a period of at least five business days after the Applicant is informed of the proposed Adverse Action in order to allow the Applicant to complete the Fair Chance Process. If the Applicant provides the Contractor or Subcontractor with any information or documentation pursuant to the Fair Chance Process, then the Contractor or Subcontractor shall consider the information or documentation and perform a written reassessment of the proposed Adverse Action. If the Contractor or Subcontractor, after performing the reassessment of the proposed Adverse Action, takes an Adverse Action against the Applicant, then the Contractor or Subcontractor shall notify the Applicant of the decision and provide the Applicant with a copy of the written reassessment.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

Sec. 10.48.4. Notice and Posting Requirements for Employers.

A. Contractors and Subcontractors shall state in all solicitations or advertisements seeking Applicants for Employment that they will consider for employment qualified Applicants with Criminal Histories in a manner consistent with the requirements of this article.

B. Contractors and Subcontractors shall post a notice informing Applicants of the provisions of this article in a conspicuous place at every workplace, job site or other location in the City under the Contractor's or Subcontractor's control visited by Employment Applicants, and shall send a copy of the notice to each labor union or representative of workers with which they have a collective bargaining agreement or other agreement or understanding that is applicable to Employees in the City.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

Sec. 10.48.5. Retaliation Prohibited.

A Contractor or Subcontractor shall not discharge, reduce the compensation of, or otherwise take any adverse employment actions against any Employee for complaining to the City with regard to the Contractor's or Subcontractor's compliance or anticipated compliance with this article, for opposing any practice proscribed by this article, for participating in proceedings related to this article, for seeking to enforce his or her rights under this article by any lawful means, or for otherwise asserting any rights under this article.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

Sec. 10.48.6. Record Retention.

Contractors and Subcontractors shall retain Applicants' Employment applications and the written assessment and reassessment performed pursuant to this article for a period of three years following the receipt of an Applicant's Employment application. Contractors and Subcontractors shall, upon request, provide the records and documents or access to the records and documents to the DAA in an administrative investigation under this article.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

Sec. 10.48.7. Exceptions from Employment Application Procedures.

Sections 10.48.2, 10.48.3 and 10.48.4 A. do not apply in the following circumstances:

A. The Contractor or Subcontractor is required by law to obtain information regarding a Conviction of an Applicant.

B. The Applicant would be required to possess or use a firearm in the course of his or her Employment.

C. An individual who has been convicted of a crime is prohibited by law from holding the position sought by the Applicant, regardless of whether that conviction has been expunged, judicially ordered sealed, statutorily eradicated or judicially dismissed following probation.

D. A Contractor or Subcontractor is prohibited by law from hiring an Applicant who has been convicted of a crime.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

Sec. 10.48.8. Enforcement.

A. An Applicant for Employment or Employee alleging violation of this article may, within one year of the alleged violation, bring a civil action in a court of competent jurisdiction against a Contractor or Subcontractor, and shall be awarded the penalty set forth in this article and any other legal and/or equitable relief as may be appropriate to remedy the violation.

B. Compliance with this article shall be required in all Contracts to which it applies, and each Contract shall provide that violation of this article shall constitute a material breach thereof and entitle the City to terminate the Contract and otherwise pursue available legal remedies.

C. An Applicant for Employment with a Contractor or Subcontractor alleging violation of Sections 10.48.2, 10.48.3 or 10.48.4, or an Employee alleging violation of Section 10.48.4 or 10.48.5 may, within one year of the alleged violation, report the alleged violation to the DAA, which shall investigate the complaint. The Contractor or Subcontractor shall cooperate in such investigation. The DAA, as a part of its investigation, may request the Board of Public Works to issue a subpoena for Contractor or Subcontractor records and documents and for other books, papers, records and other items relevant to the enforcement of this article. Whether based upon a complaint or its own investigation of a violation of any of the provisions of this article, where the DAA has determined that a Contractor or Subcontractor has violated this article, the DAA shall issue a written notice to the Contractor or Subcontractor that the violation is to be corrected within ten days and impose an administrative fine as set forth in this article. In the event that the Contractor or Subcontractor has not demonstrated to the DAA that the Contractor or Subcontractor has timely cured the violation, the DAA may then:

(1) Request the Awarding Authority to declare a material breach of the Contract and exercise its contractual remedies thereunder, which are to include, but not be limited to, termination of the Contract and the return of any monies paid by the City for services not yet rendered;

(2) Request that the Awarding Authority document the determination in the Contractor Evaluation required under Los Angeles Administrative Code Section 10.39, et seq.;

(3) Require that the Contractor document the determination in each of the Contractor's subsequent Contractor Responsibility Questionnaires submitted under Los Angeles Administrative Code Section 10.40, et seq.; and/or

(4) Request the City Attorney to bring a civil action against the Contractor or Subcontractor seeking an order declaring that the Contractor or Subcontractor violated this article and/or preventing the Contractor or Subcontractor from future violations of this article.

D. The DAA shall establish rules governing the administrative process for investigation and enforcement of alleged violations and appeal of determinations of violations. The rules shall include procedures for: (i) providing notice of an alleged violation to the Contractor or Subcontractor; (ii) providing the Contractor or Subcontractor with the opportunity to respond to the notice; (iii) providing notice to the Contractor or Subcontractor and the Applicant or Employee of the DAA's determination; and (iv) providing the Contractor or Subcontractor and the Applicant or Employee the opportunity to appeal the DAA's determination to a hearing officer. The hearing officer's decision shall constitute the City's final decision, and any review of that decision shall be made by the filing of a petition for writ of mandate in the Superior Court of the County of Los Angeles under Section 1094.5 of the Code of Civil Procedure.

E. The DAA shall maintain a record of the complaints it receives alleging violations of this article and the resolution of complaints. The DAA shall compile a summary of the record of the complaints on an annual basis and report that summary to the Council.

F. Notwithstanding any provision of this Code or any other ordinance to the contrary, no criminal penalties shall attach for violation of this article.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

Sec. 10.48.9. Penalty/Administrative Fine Schedule.

A. Penalties and administrative fines for a Contractor or Subcontractor violation of any provision of this article, other than Sections 10.48.4, 10.48.6 or failure to cooperate under 10.48.8, shall be up to \$500 for the first violation, up to \$1,000 for the second violation and up to \$2,000 for the third and subsequent violations. The penalties and administrative fines for a Contractor or Subcontractor violation of Sections 10.48.4, 10.48.6 or failure to cooperate under 10.48.8 shall not exceed \$500 for each violation.

B. The amount of the penalty or administrative fine imposed may be based on the willfulness of the Contractor's or Subcontractor's action(s) and other material factors as determined by the DAA.

C. For purposes of determining the penalty or administrative fine to be imposed for Contractor or Subcontractor violations of the article may be treated as separate violations and subject to the penalty or administrative fine amounts set forth therein.

D. Administrative fines shall be payable to the City of Los Angeles and due within 30 days from the date of notice to the Employer. The failure of any Employer to pay an administrative fine within 30 days shall result in the assessment of a late fee. The amount of the late fee shall be

ten percent of the total amount of the administrative fine assessed for each month the amount is unpaid, compounded to include already accrued late administrative fines that remain unpaid.

E. The failure of any Employer to pay amounts due to the City under this article when due shall constitute a debt to the City. The City may file a civil action or pursue any other legal remedy to collect such money.

F. The amount of the administrative fine paid by a Contractor or Subcontractor for a violation of this article may be awarded by the City to the Applicant or Employee up to a maximum of \$500 per violation.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

Sec. 10.48.10. Implementation.

The DAA shall promulgate guidelines and rules consistent with this article for the implementation of the provisions of this article. Guidelines and rules shall have the force and effect of law.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

Sec. 10.48.11. Conflicts.

Nothing in this article shall be interpreted or applied so as to create any requirement, power or duty in conflict with federal or state law. Specifically, the requirements of this article are not intended to limit, restrict or nullify any duty, right or obligation of an Applicant or an Employer under the Title VII of the Civil Rights Act of 1964, as amended (42 U.S.C. § 2000e, et seq.), and the enforcement guidelines promulgated by the U.S. Equal Employment Opportunity Commission.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

Sec. 10.48.12. Promotion of General Welfare.

In enacting and implementing this article, the City is assuming an undertaking only to promote the general welfare. The City is not assuming, nor is it imposing on its officers and employees, an obligation for breach of which the City or its officers and employees are liable for any damages, including monetary damages, to any person who claims that such breach proximately caused injury. This article does not create a legally enforceable right against the City.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

Sec. 10.48.13. Severability.

If any part or provision of this article, including, but not limited to, a section, subsection, paragraph, sentence, phrase or word, or the application thereof to any person or circumstance, is held invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remainder of this article. The City Council hereby declares that it would have adopted this article and each and every section, subsection, paragraph, sentence, phrase and word hereof not declared invalid or unconstitutional, without regard to whether any portion of this article would be subsequently declared invalid or unconstitutional.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17

EXHIBIT H

FORM OF NO DEFAULT CERTIFICATE

This No Default Certificate (this “*Certificate*”) is furnished to Barclays Bank PLC (the “*Bank*”) pursuant to that certain Second Amended and Restated Reimbursement Agreement dated as of October 15, 2021 (the “*Agreement*”), between City of Los Angeles (the “*City*”) and Bank. Unless otherwise defined herein, the terms used in this Certificate shall have the meanings assigned thereto in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the duly elected chief financial officer of the City;
2. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the System during the accounting period covered by the attached financial statements;
3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or the occurrence of any event which constitutes a Default or Event of Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate, except as set forth below;
4. To the best of my knowledge the financial statements required by Section 6.05 of the Agreement and being furnished to you concurrently with this certificate fairly represent the financial condition of the System in accordance with GAAP (subject to year end adjustments) as of the dates and for the periods covered thereby; and

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the City has taken, is taking, or proposes to take with respect to each such condition or event:

EXHIBIT H

(to Second Amended and Restated Reimbursement Agreement)

The foregoing certifications and the financial statements delivered with this Certificate in support hereof, are made and delivered this _____ day of _____, 20__.

CITY OF LOS ANGELES

By: _____

Name: _____

Title: _____

ATTACHMENT D

AMENDED AND RESTATED REIMBURSEMENT AGREEMENT

by and between

CITY OF LOS ANGELES

and

THE TORONTO-DOMINION BANK,
New York Branch

Relating to:
City of Los Angeles
Wastewater System Commercial Paper Revenue Notes
Tax-Exempt Series A-2 Notes and Taxable Series B-2 Notes

Dated as of October 15, 2021

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AMENDED AND RESTATED REIMBURSEMENT AGREEMENT

THIS AMENDED AND RESTATED REIMBURSEMENT AGREEMENT, dated as of October 15, 2021 (as amended, supplemented or otherwise modified from time to time, this “*Agreement*”), is made by and between the CITY OF LOS ANGELES, a municipal corporation and chartered city of the State of California (the “*City*”) and THE TORONTO-DOMINION BANK, New York Branch (together with its successors and assigns, the “*Bank*”), amending and restating that certain Reimbursement Agreement, dated as of October 1, 2018 (the “*Original Agreement*”), by and between the City and the Bank.

WITNESSETH:

WHEREAS, the City has issued its Wastewater System Commercial Paper Revenue Notes, Tax-Exempt Series A-2 Notes and Taxable Series B-2 Notes (the “*Commercial Paper Notes*”) pursuant to (i) that certain Wastewater System Subordinate Revenue Bonds General Resolution, adopted March 26, 1991, as heretofore previously amended and supplemented and as further amended and supplemented from time to time in accordance with the terms thereof and the terms hereof (the “*Subordinate General Resolution*”), including as amended from time to time pursuant to the terms of that certain Amended and Restated First Supplemental Resolution adopted October 8, 2021 (“*A&R First Supplemental Resolution*,” and as further amended, restated, supplemented or otherwise modified in accordance with the terms thereof and hereof, the “*Supplemental Resolution*”, and collectively with the Subordinate General Resolution as heretofore amended and as the same may be amended, restated, supplemented or otherwise modified with the terms thereof and the terms hereof, the “*Resolution*”) and (ii) that certain Second Amended and Restated Issuing and Paying Agent Agreement, dated as of October 1, 2021 (as the same may be amended, restated, supplemented or otherwise modified in accordance with the terms thereof and hereof, the “*Issuing and Paying Agent Agreement*”), by and between the City and U.S. Bank National Association, as Issuing and Paying Agent and its successors and assigns (the “*Issuing and Paying Agent*”); and

WHEREAS, the Bank and the City have previously entered into the Original Agreement pursuant to which the Bank issued the Original Letter of Credit (as defined herein) in an initial aggregate amount of \$163,500,000 (such amount being in a principal amount of \$150,000,000 plus an amount equal to 270 days interest on such amount at an assumed rate of twelve percent (12%) per annum on the basis of a 360 day year) (the “*Original Stated Amount*”) to support the Commercial Paper Notes; and

WHEREAS, the Letter of Credit Expiration Date of the Original Letter of Credit is October 22, 2021; and

WHEREAS, the City has requested the Bank to increase the Original Stated Amount of the Original Letter of Credit, to extend the Letter of Credit Expiration Date of the Original Letter of Credit to October 30, 2024, and to make certain other amendments to the Original Letter of Credit and the Original Agreement; and

WHEREAS, the Bank is willing to issue an Omnibus Amendment and Notice of Extension (as more particularly defined herein, the “*Omnibus Amendment and Notice of*

Extension of Letter of Credit Expiration Date”) to provide for such extension and amendments to the Original Letter of Credit upon the terms and conditions provided herein; and

WHEREAS, this Agreement amends the Original Agreement in its entirety and from and after the Amendment Effective Date all references made to the Original Agreement in any Program Document or in any other instrument or document shall be deemed to refer to this Agreement, and this Agreement shall become effective and supersede all provisions of the Original Agreement upon the execution and delivery of this Agreement by each of the parties hereto and the fulfillment of all conditions precedent hereof.

NOW THEREFORE, in consideration of the premises and the mutual agreements herein contained, the City and the Bank agree as follows:

ARTICLE I.

DEFINITIONS

As used in this Agreement:

“*A&R First Supplemental Resolution*” has the meaning set forth in the recitals hereof.

“*Advance*” has the meaning set forth in Section 2.03(a)(i) hereof.

“*Agreement*” means this Amended and Restated Reimbursement Agreement, as amended and supplemented.

“*Amendment Effective Date*” means October 15, 2021, which, subject to the satisfaction of the conditions precedent set forth in Section 4.01, is the date on which the Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date shall be issued.

“*Amortization End Date*” means, with respect to any Advance, the earliest to occur of: (i) the third (3rd) anniversary of the date on which the related Advance was made, (ii) the date on which a substitute Credit Facility becomes effective in substitution of the Letter of Credit with respect to the Commercial Paper Notes, (iii) the date on which the Stated Amount is permanently reduced to zero or the Letter of Credit is otherwise terminated in accordance with its terms (other than as a result of the Letter of Credit expiring solely as a result of the Letter of Credit Expiration Date), including as a result of the occurrence of an Event of Default, (iv) the date which all Obligations are declared or automatically become due and payable pursuant to Section 7.02(a) hereof and (v) the end of the term of the Commercial Paper Program in respect of the Commercial Paper Notes as determined in accordance with the Resolution and the Issuing and Paying Agent Agreement.

“*Anti-Terrorism Laws*” has the meaning set forth in Section 5.24 hereof.

“*Authorized City Representative*” means the City Administrative Officer of the City or a duly authorized designee of the City Administrative Officer of the City, or any Assistant City Administrative Officer of the City, provided, that a copy of such designation shall have been provided to the Bank.

“*Bank*” has the meaning set forth in the introductory paragraph hereof.

“*Bank Agreement*” means any credit agreement, liquidity agreement, standby bond purchase agreement, reimbursement agreement, direct purchase agreement, bond purchase agreement, or other agreement or instrument (or any amendment, supplement or other modification thereof) under which, directly or indirectly, any Person or Persons undertake(s) to make or provide funds to make payment of, or to purchase or provide credit enhancement for bonds or notes of the City that are secured senior to or on a parity with the Lien on Revenues securing the Obligations.

“*Bank Note*” has the meaning set forth in Section 2.03(d) hereof.

“*Bank Rate*” means the rate of interest per annum with respect to an Advance (a) for any day commencing on the date such Advance is made to and including the 90th day next succeeding the date such Advance is made, equal to the Base Rate; and (b) for any day commencing on the 91st day next succeeding the date such Advance is made and thereafter, equal to the sum of the Base Rate from time to time in effect plus one percent (1.00%); *provided, however,* that immediately and automatically upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuation of such Event of Default, “*Bank Rate*” shall mean the Default Rate; and *provided further* that, at no time shall the Bank Rate be less than the highest rate of interest on any outstanding Commercial Paper Notes.

“*Bank’s Counsel*” has the meaning set forth in Section 4.01 hereof.

“*Base Rate*” means, for any day, the rate of interest per annum equal to the highest of (i) the Prime Rate in effect at such time plus one and one-half percent (1.50%), (ii) the Federal Funds Rate in effect at such time *plus* two percent (2.00%) and (iii) seven percent (7.00%). Each determination of the Base Rate by the Bank shall be conclusive and binding on the City absent manifest error.

“*Bond Counsel*” means Hawkins Delafield & Wood LLP or another nationally recognized bond counsel firm selected by the City.

“*Business Day*” means any day other than (a) a Saturday, Sunday, or other day on which commercial banks located in the States of New York or California are authorized or required by Law or executive order to close, (b) a day on which the presentation office of the Bank for Drawings under the Letter of Credit is authorized or required by Law or executive order to close and (c) a day on which the New York Stock Exchange is closed.

“*Charter*” means the charter of the City as in effect on the Amendment Effective Date.

“*City*” has the meaning set forth in the recitals hereof.

“*City Administrative Code*” means the Los Angeles Municipal Code as in effect on the date hereof.

“*City Administrative Officer*” has the meaning set forth in the Subordinate General Resolution.

“*City Council*” means the legislative governing body of the City.

“*City Documents*” has the meaning set forth in Section 5.01 hereof.

“*Closing Date*” means October 23, 2018, which, subject to the satisfaction of the conditions precedent set forth in Section 4.01, is the date on which the Letter of Credit was issued.

“*Code*” means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, and any successor thereto.

“*Commercial Paper Notes*” has the meaning set forth in the recitals hereof.

“*Commercial Paper Program*” has the meaning set forth in the Subordinate General Resolution.

“*Credit Facility*” means any letter of credit, liquidity facility, line of credit or similar facility issued in substitution for the Letter of Credit supporting the Commercial Paper Notes.

“*Dealer*” means, as the context requires, each dealer appointed and acting as such from time to time under a Dealer Agreement and their respective successors and assigns.

“*Dealer Agreement*” means, as the context requires, (a) the Dealer Agreement, dated as of December 1, 2015, between Barclays Capital Inc., as dealer, and the City, and any and all modifications, alterations, amendments and supplements thereto; (b) the Dealer Agreement, dated as of December 1, 2015, between Citigroup Global Markets Inc. as dealer, and the City, and any and all modifications, alterations, amendments and supplements thereto; and (c) each other agreement, if any, from time to time in effect between a dealer and the City under which such dealer is appointed and acting as a dealer with respect to the Commercial Paper Notes, and any and all modifications, alterations, amendments and supplements thereto.

“*Debt*” means at any date, without duplication, (a) all obligations of the City for borrowed money, (b) all obligations of the City evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of the City to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (d) all obligations of the City on or with respect to letters of credit, banker’s acceptances and other evidences of indebtedness representing extensions of credit whether or not representing obligations for borrowed money, (e) all obligations of the City as lessee under capital leases, (f) all Debt of others secured by a lien on any asset of the System, whether or not such Debt is assumed by the City, (g) all Guarantees by the City of Debt of other Persons and (h) all obligations of the City under any Swap Agreement; *provided that*, Debt shall not include (x) conduit debt where the City is only obligated to pay debt service from amounts received from a private conduit obligor or (y) any Debt of the City’s Water and Power, Airports or Harbor Departments.

“*Default*” means any event or condition which, with notice, the passage of time or any combination of the foregoing, would constitute an Event of Default.

“*Default Rate*” means a fluctuating interest rate per annum equal to the sum of the Base Rate from time to time in effect plus two percent (2.00%).

“*Drawing*” has the meaning set forth in the Letter of Credit.

“*Drawing Date*” means the date on which the Bank honors a Drawing and makes the funds drawn available to the Issuing and Paying Agent.

“*DTC*” means The Depository Trust Company and any successor or replacement thereto as securities depository.

“*EMMA*” means Electronic Municipal Market Access as provided by the Municipal Securities Rulemaking Board.

“*Environmental Laws*” means any and all federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

“*ERISA*” means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import, and regulations thereunder, in each case as in effect from time to time. References to Sections of ERISA shall be construed also to refer to any successor Sections.

“*Event of Default*” with respect to this Agreement has the meaning set forth in Section 7.01 of this Agreement and, with respect to any Program Document, has the meaning assigned therein and, if not so assigned, any event of default or similar event or condition, the effect of which is to cause, or to permit any obligee thereunder to declare, the obligations of the City thereunder to become immediately due and payable.

“*Excess Interest*” has the meaning set forth in Section 2.15 hereof.

“*Executive Order*” has the meaning set forth in Section 5.24 hereof.

“*Federal Funds Rate*” means, for any day, the rate per annum equal to the weighted average (rounded upward, if necessary, to a whole multiple of one hundredth of one percent) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided that*: (a) if such day is not a Business Day, then the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day; and (b) if no such rate is so published on such next succeeding Business Day, then the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of one hundredth of one percent) charged to the Bank on such day on such transactions as determined by the Bank. Each determination of the Federal Funds Rate by the Bank shall be deemed conclusive and binding on the City absent manifest error.

“*Fee Letter*” means that certain Amended and Restated Fee Letter dated the Amendment Effective Date, between the City and the Bank, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“*Fiscal Quarter*” means each September 30, December 31, March 31, and June 30 of each Fiscal Year.

“*Fiscal Year*” has the meaning set forth in the Subordinate General Resolution.

“*Fitch*” means Fitch Ratings, Inc., and any successor rating agency.

“*FRB*” means the Board of Governors of the Federal Reserve System of the United States, together with any successors thereof.

“*GAAP*” means generally accepted accounting principles in the United States as in effect from time to time, applied by the City on a basis consistent with the City’s most recent financial statements furnished to the Bank pursuant to Section 5.06 hereof.

“*Governmental Approval*” means an authorization, consent, approval, license, or exemption of, registration or filing with, or report to any Governmental Authority.

“*Governmental Authority*” means any federal, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, administrative, public or statutory instrumentality, authority, body, agency, commission, bureau or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government (including any zoning authority, the Federal Deposit Insurance Corporation or the Federal Reserve Board, any central bank or any comparable authority), or any arbitrator with authority to bind a party at law.

“*Guarantee*” means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Debt or other obligation payable or performable by another Person (the “*primary obligor*”) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Debt or other obligation of the payment or performance of such Debt or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Debt or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Debt or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Debt or other obligation of any other Person, whether or not such Debt or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Debt to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated

liability in respect thereof as determined by the guaranteeing Person in good faith. The term “Guarantee” as a verb has a corresponding meaning.

“*Incorporated Provisions*” has the meaning set forth in Section 6.08 hereof.

“*Interest Payment Date*” means the first Business Day of each calendar month.

“*Investment Policy*” means the investment policy of the City applicable to the System delivered to the Bank, pursuant to Section 4.01(g) hereof.

“*Issuing and Paying Agent Agreement*” has the meaning set forth in the recitals hereof.

“*Issuing and Paying Agent*” has the meaning set forth in the recitals hereof.

“*Letter of Credit*” means the Original Letter of Credit, as amended by the Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date, and as from time to time further amended and supplemented pursuant to its terms.

“*Letter of Credit Expiration Date*” means October 30, 2024, the date set forth in the Letter of Credit as the date on which the Letter of Credit is stated to expire, as the same may be extended pursuant to Section 2.12 hereof. For the avoidance of doubt, the defined term “Termination Date” as used in the Supplemental Resolution, the Issuing and Paying Agent Agreement and any Dealer Agreement, shall mean the Letter of Credit Expiration Date.

“*Letter of Credit Fees*” has the meaning set forth in the Fee Letter.

“*Letter of Credit Fee Rate*” has the meaning set forth in the Fee Letter.

“*Laws*” means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“*Lien*” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

“*Margin Stock*” has the meaning ascribed to such term in Regulation U promulgated by the FRB, as now and hereafter from time to time in effect.

“*Material Adverse Change*” or “*Material Adverse Effect*” means the occurrence of any event or change which results in (a) a material adverse change in, or a material adverse effect

upon, the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of the System or the Revenues; (b) a material impairment of the ability of the City to perform its obligations under any Program Document to which it is a party; (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the City of any Program Document to which it is a party; or (d) a material adverse change in, or a material adverse effect upon, in the rights, security, interest or remedies available to the Bank under this Agreement or any other Program Document.

“*Maximum CP Rate*” means the lesser of (a) 10% per annum, and (b) the maximum rate of interest permitted by applicable Law.

“*Maximum Rate*” means the maximum non-usurious lawful rate of interest permitted by applicable Law.

“*Measure H Ordinance*” has the meaning set forth in Section 8.03 hereof.

“*Measure H Subcontract*” has the meaning set forth in Section 8.03 hereof.

“*Moody’s*” means Moody’s Investors Service, Inc., and any successor rating agency.

“*No Default Certificate*” means a certificate substantially in form of Exhibit G hereto.

“*Notes*” has the meaning set forth in the A&R First Supplemental Resolution.

“*Obligations*” means the Reimbursement Obligations (which includes amounts owing to the Bank evidenced by the Bank Note), the Letter of Credit Fees, the obligations of the City to pay all fees, charges and expenses payable hereunder, under the Fee Letter and under the Bank Note, and all other payment obligations of the City owed to the Bank arising under or in relation to this Agreement, the Fee Letter and the Bank Note.

“*OFAC*” has the meaning set forth in Section 5.24 hereof.

“*Offering Memorandum*” means the Commercial Paper Offering Memorandum delivered by the City in connection with the issuance or sale of Commercial Paper Notes on or after the Amendment Effective Date, and any supplements and amendments thereto.

“*Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date*” means the Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date issued by the Bank on October 15, 2021, amending the Original Letter of Credit, in the form of Appendix II hereto with appropriate insertions.

“*Original Agreement*” has the meaning set forth in the introductory paragraph hereof.

“*Original Letter of Credit*” means the irrevocable transferable direct pay letter of credit issued by the Bank on October 23, 2018 for the account of the City in favor of the Issuing and Paying Agent supporting the Commercial Paper Notes, in the form of Appendix I hereto with appropriate insertions.

“Original Stated Amount” has the meaning set forth in the recitals hereof.

“Parity Debt” means any Debt issued or incurred by or on behalf of the City and secured on a parity with the Lien on Revenues securing the payment of the principal of the Commercial Paper Notes and the Reimbursement Obligations under this Agreement.

“Participant” has the meaning set forth in Section 9.03(b) hereof.

“Participant/Subcontractor Notice” has the meaning set forth in Section 8.03 hereof.

“Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Title III of Pub. L. 107-56 (signed into law October 26, 2001).

“Payment Office” means [Bank of America, NY, ABA Number: 026009593, F/O The Toronto-Dominion Bank, New York Branch, Account Number: 6550653000, Attention: Vlad Penchuk, Reference Letter of Credit No. F8TDGN1SV], or such other office or account as the Bank may designate in writing from time to time to the City.

“Person” means any individual, corporation, not for profit corporation, partnership, limited liability company, joint venture, association, professional association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other form of entity.

“Plan” means a pension plan providing benefits for employees of any Person.

“Prime Rate” means, for any day, the rate per annum established by the Bank from time to time as its *“prime rate”* for U.S. dollar loans, or its equivalent, as is in effect on such day, any change in such rate to be effective on the date such change is effective for the Bank’s purposes, it being understood that such rate shall not necessarily be the best or lowest rate of interest available to the Bank’s best or most preferred prime, large commercial customers. Each determination of the Prime Rate by the Bank shall be conclusive and binding on the City absent manifest error. The Prime Rate is a reference rate only, and the Bank may make loans from time to time at interest rates above, equal to or below the Prime Rate.

“Principal” means, with respect to the Bank or a Participant or a Subcontractor, each of the following: (i) the chairman/chairwoman of the Bank’s or Participant’s or Subcontractor’s (as applicable) Board of Directors; (ii) each of the Bank’s or the Participant’s or Subcontractor’s (as applicable) president, chief executive officer, and chief operating officer (and the functional equivalent of each such position); (iii) any individual who holds an ownership interest in the Bank or the Participant or the Subcontractor (as applicable) of twenty percent or more; (iv) any individual employee of the Bank described in Section 49.7.30.A.8.(c) of the Los Angeles Municipal Code and identified on a disclosure form submitted on the Amendment Effective Date pursuant to the Measure H Ordinance, which as of the Amendment Effective Date is titled “Bidder Contributions CEC Form 55”; and (v) any individual employee of the Participant or Subcontractor (as applicable) described in Section 49.7.30.A.8.(c) of the Los Angeles Municipal Code and identified on a disclosure form submitted by such Participant or Subcontractor (as applicable) pursuant to the Measure H Ordinance.

“Program Documents” means this Agreement, the Letter of Credit, the Fee Letter, the Bank Note, the Issuing and Paying Agent Agreement, each Dealer Agreement, the Commercial Paper Notes, the Senior Lien Resolution, the Subordinate General Resolution, the Supplemental Resolution and any documents related thereto, and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing in accordance with the terms thereof and hereof.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, whether now owned or hereafter acquired.

“Rating” means the long term unenhanced debt ratings assigned by any of Moody’s, S&P or Fitch to Parity Debt.

“Rating Agencies” means Fitch, Moody’s and S&P.

“Rating Documentation” has the meaning set forth in Section 4.01(k) hereof.

“Reduction in Amount” has the meaning set forth in Section 2.14 hereof.

“Reimbursement Obligations” means any and all obligations of the City to reimburse the Bank for any Drawings under the Letter of Credit and all obligations to repay the Bank for any Advance, including in each instance all interest accrued thereon.

“Resolution” has the meaning set forth in the recitals hereof.

“Responsible Officer” has the meaning set forth in Section 2.14(a).

“Revenues” has the meaning set forth in the Senior Lien Resolution and the Subordinate General Resolution.

“Revised Stated Amount” has the meaning set forth in Section 2.01 hereof.

“Revised Tier Two Termination Date” has the meaning set forth in Section 3.02(a) hereof.

“Revised Tier Two Termination Notice” means the written notice, in the form attached as Annex J to the Letter of Credit, given by the Bank to the City and the Issuing and Paying Agent pursuant to Section 3.02(c) hereof.

“S&P” means S&P Global Ratings, and any successor rating agency.

“Sanction” means any international economic sanction administered or enforced by the United States Government (including, without limitation, OFAC).

“SCM Fund” has the meaning set forth in the Subordinate General Resolution.

“Senior Debt” means any Debt issued or incurred by or on behalf of the City and secured on a basis senior to the Lien on Revenues securing the payment of the Commercial Paper Notes and the Obligations.

“*Senior Lien Bonds*” has the meaning set forth in the Subordinate General Resolution.

“*State*” means the State of California.

“*Stated Amount*” means, as of any date, the maximum amount which by the terms of the Letter of Credit is available to be drawn under the Letter of Credit as of such date.

“*Subcontractor*” means a Person, other than the Bank or an employee of the Bank, who is expected to receive at least \$100,000 as a result of performing some or all of the Bank’s obligations hereunder.

“*Subordinate Bonds*” has the meaning set forth in the Subordinate General Resolution.

“*Subordinate General Resolution*” means the Wastewater System Subordinate Revenue Bonds General Resolution, adopted March 26, 1991, as heretofore amended and supplemented and as amended and supplemented from time to time in accordance with the terms thereof and the terms hereof.

“*Supplemental Resolution*” has the meaning set forth in the recitals hereof.

“*Swap Agreement*” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “*Master Agreement*”), including any such obligations or liabilities under any Master Agreement.

“*System*” has the meaning set forth in the Subordinate General Resolution.

“*Tax-Exempt Commercial Paper Notes*” means Commercial Paper Notes for which an opinion of Bond Counsel relating to the exclusion of the interest thereof from gross income for purposes of federal income taxation has been delivered.

“*Termination Date*” has the meaning set forth in the Letter of Credit.

“*Term Out Commencement Date*” means, with respect to each Advance, the earlier of (i) the ninety-first (91st) day immediately succeeding the date the related Advance was made and (ii) the Letter of Credit Expiration Date.

“Tier One Final Drawing Notice” has the meaning set forth in the Letter of Credit.

“Tier One Stop Issuance Instruction” means the written instruction, in the form attached as Exhibit A hereto, given by the Bank to the City and the Issuing and Paying Agent pursuant to Section 3.02(b) hereof or Section 7.02(b) hereof.

“Tier Two Termination Date” has the meaning set forth in Section 3.02(a) hereof.

“Tier Two Termination Notice” means the written notice, in the form attached as Annex I to the Letter of Credit, given by the Bank to the City and the Issuing and Paying Agent pursuant to Section 3.02(c) hereof.

“Trust Assets” has the meaning set forth in Section 2.16.

“Underlying Provisions” has the meaning set forth in Section 6.08.

“Use of Criminal History Provisions” has the meaning set forth in Section 8.04.

The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms. Any capitalized terms used herein which are not specifically defined herein shall have the same meanings herein as in the Resolution and the Issuing and Paying Agent Agreement. All references in this Agreement to times of day shall be references to New York City time unless otherwise expressly provided herein. Unless otherwise inconsistent with the terms of this Agreement, all accounting terms shall be interpreted and all accounting determinations hereunder shall be made in accordance with GAAP.

ARTICLE II.

LETTER OF CREDIT

Section 2.01. Issuance of Original Letter of Credit; Issuance of Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date. Upon the terms, subject to the conditions and relying upon the representations and warranties set forth in the Original Agreement or incorporated therein by reference, the Bank issued the Original Letter of Credit (substantially in the form of Appendix I hereto). Upon the terms, subject to the conditions and relying upon the representations and warranties set forth in this Agreement or incorporated herein by reference, the Bank agrees to issue the Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date (substantially in the form of Appendix II hereto), which shall cause the Letter of Credit to be in the stated amount of \$289,333,334 (calculated as the sum of the maximum principal amount of the Commercial Paper Notes supported by the Letter of Credit (i.e., \$280,000,000) plus interest thereon at a maximum rate of ten percent (10%) per annum for a period of one hundred twenty (120) days calculated on the basis of a year of 360 days) (the *“Revised Stated Amount”*).

Section 2.02. Letter of Credit Drawings. The Issuing and Paying Agent is authorized to make Drawings under the Letter of Credit in accordance with its terms. The City hereby directs the Bank to make payments under the Letter of Credit in the manner therein provided. The City

hereby irrevocably approves reductions and reinstatements of the Stated Amount with respect to the Letter of Credit as provided in the Letter of Credit.

Section 2.03. Reimbursement of Certain Drawings Under the Letter of Credit; Mandatory Prepayment; Interest. (a)(i) Each Drawing made under the Letter of Credit shall constitute an advance (“*Advance*”) to the City at the time of payment by the Bank of such Drawing under the Letter of Credit.

(ii) The City promises to pay to the Bank the portion of each Advance corresponding to the interest amount on the Commercial Paper Notes on the date the related Drawing is honored by the Bank.

(iii) Subject to Section 2.03(a)(v), the City promises to pay or cause to be paid to the Bank the portion of each Advance corresponding to the principal amount of the Commercial Paper Notes on the earliest to occur of (A) the date on which a substitute Credit Facility becomes effective in substitution of the Letter of Credit with respect to the Commercial Paper Notes, (B) the date on which the Stated Amount is permanently reduced to zero or the Letter of Credit is otherwise terminated in accordance with its terms (other than as a result of the Letter of Credit terminating on the Letter of Credit Expiration Date), including as a result of the occurrence of an Event of Default, (C) the end of the term of the Commercial Paper Program in respect of the Commercial Paper Notes as determined in accordance with the Resolution and the Issuing and Paying Agent Agreement, and (D) subject to the provisions of Section 4.02 hereof, the related Term Out Commencement Date; *provided* that in the event the conditions precedent set forth in Section 4.02 hereof are satisfied on the Term Out Commencement Date, the principal portion of the related Advance shall be payable by the City as set forth in Section 2.03(v) hereof.

(iv) Subject to Section 2.10 hereof, the City also promises to pay to the Bank interest on the unpaid principal amount of each Advance from the date such Advance is made until it is paid in full as provided herein, at a rate per annum equal to the Bank Rate from time to time in effect, and such interest shall be payable by the City monthly in arrears on the first Business Day of each calendar month for the immediately preceding calendar month (commencing on the first Interest Payment Date to occur after the making of the related Advance), and on the date that the final principal or interest portion of such Advance is payable as herein provided.

(v) Unless otherwise paid in full on one of the dates provided above or prepaid pursuant to Section 2.03(b) and (c) hereof, if all of the conditions precedent set forth in Section 4.02 hereof are satisfied on the Term Out Commencement Date, the principal portion of each Advance shall be payable by the City in equal semi-annual installments (“*Semi-Annual Principal Payments*”) commencing on the first Business Day of the sixth calendar month immediately succeeding the date such Advance is made, and on the first Business Day of each sixth calendar month thereafter, with the final installment in an amount equal to the entire then outstanding principal amount of such Advance due and payable by the City on the Amortization End Date (the period commencing on the date such installment is initially payable and ending on the

Amortization End Date is referred to as the “*Amortization Period*”). Each Semi-Annual Principal Payment shall be that amount of principal which will result in equal (as nearly as possible) aggregate Semi-Annual Principal Payments over the applicable Amortization Period.

(b) Any Advance may be prepaid in whole or in part on the day such Advance is made. Any Advance may be prepaid in whole or in part without premium or penalty on any other Business Day upon one Business Day’s prior written notice to the Bank.

(c) Subject to Section 2.06 hereof, upon the Bank’s receipt of any payment or prepayment of any Advance, the amount of such Advance shall be reduced by the amount of such payment or prepayment.

(d) All Reimbursement Obligations shall be made against and evidenced by the City’s amended and restated promissory note payable to the order of the Bank in the principal amount of the Revised Stated Amount, such note to be executed by the City and delivered by the City to the Bank on the Amendment Effective Date in the form of Exhibit B attached hereto with appropriate insertions (the “*Bank Note*”), replacing the City’s promissory note payable to the order of the Bank previously executed and delivered by the City to the Bank on the Closing Date in the form of Exhibit B attached to the Original Agreement with appropriate insertions. All Reimbursement Obligations due and owing to the Bank and all payments and prepayments on the account of the principal of and interest on each Reimbursement Obligation by or on behalf of the City shall be recorded by the Bank on its books and records, which books and records shall, absent manifest error, be conclusive as to amounts due and owing by the City hereunder, under the Fee Letter and under the Bank Note. The Bank may, but shall not be required to, complete the schedule attached to the Bank Note to reflect the making and status of unreimbursed Drawings and outstanding Advances due and owing hereunder and thereunder; provided that the failure to make or any error in making any such endorsement on such schedule shall not limit, extinguish or in any way modify the obligation of the City to repay unreimbursed Drawings, outstanding Advances or Reimbursement Obligations. The City shall pay principal and interest on the Bank Note on the dates and at the rates provided for in Sections 2.03 and 2.04 hereof. The City shall, without duplication (i) make a principal payment on the Bank Note on each date on which the City is required to make a principal payment on a Reimbursement Obligation in an amount equal to the principal payment due on such date and (ii) pay interest on the Bank Note on each date on which the City is required to make an interest payment with respect to a Reimbursement Obligation in an amount equal to the interest payment due on such date. The payment of the principal of and interest on the Bank Note shall constitute payment of the principal of and interest on the related Reimbursement Obligation and the payment of the principal of and interest on the Reimbursement Obligation shall constitute the payment of and principal and interest on the Bank Note and the failure to make any payment on any Reimbursement Obligation when due shall be a failure to make a payment on the Bank Note and the failure to make any payment on the Bank Note when due shall be a failure to make a payment on the Reimbursement Obligation.

Section 2.04. Reimbursement of Certain Advances on Term Out Commencement Date. Unless the conditions precedent contained in Section 4.02 hereof are satisfied on the Term Out Commencement Date, the City agrees to reimburse the Bank for the full amount of such

Advance on the Term Out Commencement Date. If the conditions precedent contained in Section 4.02 hereof are not satisfied on the Term Out Commencement Date and the City does not make such reimbursement to the Bank with respect to the related Advance on such date, such Reimbursement Obligation shall bear interest at the Default Rate and be payable by the City upon demand.

Section 2.05. Fees. The City hereby agrees to perform the obligations provided for in the Fee Letter, including, without limitation, the payment of any and all fees, expenses and other amounts provided for therein, at the times and in the amounts set forth in the Fee Letter. Without limiting the generality of the foregoing, in the event that the Letter of Credit is terminated or the Stated Amount is reduced and is not subject to reinstatement, the City shall pay to the Bank the fees and expenses, if any, at the times and in the amounts set forth in and as required by the Fee Letter. The terms and provisions of the Fee Letter are hereby incorporated herein by reference as if fully set forth herein. All references to amounts or obligations due hereunder or in this Agreement shall be deemed to include all amounts and obligations (including without limitation all fees and expenses) under the Fee Letter. All fees paid under this Agreement and the Fee Letter shall be fully earned when due and nonrefundable when paid.

Section 2.06. Method of Payment; Etc. All payments to be made by the City under this Agreement and the Fee Letter shall be made at the Payment Office of the Bank, not later than 3:30 p.m., New York City time, on the date when due and shall be made by wire transfer in lawful money of the United States of America in freely transferable and immediately available funds. Any payment received by the Bank after 3:30 p.m., New York City time, shall be deemed to have been received by the Bank on the next Business Day.

Section 2.07. Termination of Letter of Credit by the City. Notwithstanding any provisions of this Agreement, the Letter of Credit or any Program Document to the contrary, the City agrees not to terminate the Letter of Credit except upon (i) the payment by the City to the Bank of the fees and expenses, if any, in the amount set forth in the Fee Letter, (ii) the payment to the Bank of all fees, expenses and other Obligations payable hereunder and under the Fee Letter, including, without limitation, all principal and accrued interest due and owing on any Drawing or Advances or any amount due under the Bank Note and (iii) the City providing the Bank with thirty (30) days prior written notice of its intent to terminate the Letter of Credit. All payments from the City to the Bank referred to in this Section 2.07 shall be made with immediately available U.S. Dollars on or before the date of termination.

Section 2.08. Computation of Interest and Fees. Fees payable hereunder and under the Fee Letter shall be calculated on the basis of a year of 360 days and the actual number of days elapsed. All computations of interest payable by the City under this Agreement shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual number of days elapsed. Interest shall accrue during each period during which interest is computed from and including the first day thereof to but excluding the last day thereof.

Section 2.09. Payment Due on Non Business Day To Be Made on Next Business Day. If any sum becomes payable pursuant to this Agreement or the Fee Letter on a day which is not a Business Day, the date for payment thereof shall be extended, without penalty, to the next

succeeding Business Day, and such extended time shall be included in the computation of interest and fees.

Section 2.10. Late Payments. If the principal amount of any Obligation is not paid when due, such Obligation shall bear interest until paid in full at a rate per annum equal to the Default Rate, payable by the City upon demand.

Section 2.11. Source of Funds. All payments made by the Bank pursuant to the Letter of Credit shall be made from funds of the Bank, and not from the funds of any other Person.

Section 2.12. Extension of Letter of Credit Expiration Date. If the City on any date not earlier than one hundred eighty (180) days and not later than ninety (90) days prior to the then current Letter of Credit Expiration Date, submits to the Bank a written request for an extension of the Letter of Credit Expiration Date in the form of Exhibit C hereto for a period as specified in such written request, the Bank will make reasonable efforts to respond to such request within sixty (60) days after receipt of all information necessary, in the Bank's reasonable judgment, to permit the Bank to make an informed credit decision. In the event the Bank fails to definitively respond to such request within such period of time, the Bank shall be deemed to have refused to grant the extension requested. The Bank may, in its sole and absolute discretion, decide to accept or reject any such proposed extension and no extension shall become effective unless the Bank shall have consented thereto in writing. The consent of the Bank, if granted, shall be conditioned upon the preparation, execution and delivery of documentation in form and substance reasonably satisfactory to the Bank and consistent with this Agreement and the Letter of Credit. If such an extension request is accepted by the Bank in its sole and absolute discretion, the then current Letter of Credit Expiration Date shall be extended to the date agreed to by the City and the Bank.

Section 2.13. Net of Taxes, Etc.

(a) Taxes. Any and all payments to the Bank by the City hereunder and under the Fee Letter shall be made free and clear of and without deduction for any and all taxes, levies, imposts, deductions, charges, withholdings or liabilities imposed thereon by any jurisdiction, taxing authority or taxing jurisdiction in which the Bank is organized, has its principal place of business, is managed and controlled or from which or through which payments to or from the Bank are made (each a "*Taxing Jurisdiction*") excluding, however, taxes imposed on or measured by the net income or capital of the Bank by any jurisdiction or any political subdivision thereof or any other taxing authority solely as a result of a connection between the Bank and such jurisdiction or political subdivision (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "*Taxes*"). If the City shall be required by Law to withhold or deduct any Taxes imposed by any Taxing Jurisdiction from or in respect of any sum payable hereunder or under the Fee Letter to the Bank, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.13), the Bank receives an amount equal to the sum it would have received had no such deductions been made; (ii) the City shall make such deductions; and (iii) the City shall pay the full amount deducted to the relevant Taxing Jurisdiction in accordance with applicable Law. If the City shall make any payment under this Section 2.13 to or for the benefit of the Bank with respect to Taxes

and if the Bank shall claim any credit or deduction for such Taxes against any other taxes payable by the Bank to any Taxing Jurisdiction then the Bank shall pay to the City an amount equal to the amount by which such other taxes are actually reduced; *provided* that the aggregate amount payable by the Bank pursuant to this sentence shall not exceed the aggregate amount previously paid by the City with respect to such Taxes. In addition, the City agrees to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under any Taxing Jurisdiction from any payment made hereunder or under the Fee Letter or from the execution or delivery or otherwise with respect to this Agreement (hereinafter referred to as “*Other Taxes*”). The Bank shall provide to the City within a reasonable time a copy of any written notification it receives with respect to Taxes or Other Taxes owing by the City to the Bank hereunder; *provided* that the Bank’s failure to send such notice shall not relieve the City of its obligation to pay such amounts hereunder. The City may conduct a reasonable contest of any such Taxes with the prior written consent of the Bank which consent shall not be unreasonably withheld, *provided that* the City shall have first paid to the Bank all amounts owing under this Section 2.13(a) (including any amounts subject to such contest); and further provided that the Bank shall promptly return to the City, after demand, such amounts so paid if the City prevails in any such contest.

(b) Indemnity. The City shall, to the fullest extent permitted by Law and subject to the provisions hereof, indemnify the Bank for the full amount of Taxes and Other Taxes including any Taxes or Other Taxes imposed by any Taxing Jurisdiction on amounts payable under this Section 2.13 paid by the Bank or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted; *provided* that the City shall not be obligated to indemnify the Bank for any penalties, interest or expenses relating to Taxes or Other Taxes arising from the Bank’s gross negligence or willful misconduct. The Bank agrees to give notice to the City of the assertion of any claim against the Bank relating to such Taxes or Other Taxes as promptly as is practicable after being notified of such assertion; *provided* that the Bank’s failure to notify the City promptly of such assertion shall not relieve the City of its obligation under this Section 2.13. Payments by the City pursuant to this indemnification shall be made within sixty (60) days from the date the Bank makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. The Bank agrees to repay to the City any refund (including that portion of any interest that was included as part of such refund) with respect to Taxes or Other Taxes paid by the City pursuant to this Section 2.13 received by the Bank for Taxes or Other Taxes that were paid by the City pursuant to this Section 2.13 and to contest, with the cooperation and at the expense of the City, any such Taxes or Other Taxes which the Bank or the City reasonably believes not to have been properly assessed. This paragraph shall not be construed to require the Bank to make available its tax returns (or any other information relating to its Taxes that it deems confidential) to the City or any other Person.

(c) Notice. Within thirty (30) days after the date of any payment of Taxes or Other Taxes by the City, the City shall furnish to the Bank, the original or a certified copy of a receipt evidencing payment thereof.

(d) Survival of Obligations. The obligations of the City under this Section 2.13 shall survive the termination of this Agreement.

Section 2.14. Increased Costs. (a) If the Bank or any Participant shall have determined that the adoption or implementation of, or any change in, any law, rule, treaty, regulation, policy, guideline, supervisory standard or directive of, or any change in the interpretation, implementation, or administration thereof by, any Governmental Authority (in each case, whether or not having the force of law), or compliance by the Bank or any Participant with any request by or directive of any Governmental Authority (in each case, whether or not having the force of law), including but not limited to any such law, rule, regulation, policy, guideline, standard, directive, interpretation, application or promulgation implementing, invoking or in any way related to any provision of the Dodd-Frank Wall Street Reform and Consumer Protection Act (or any other statute referred to therein or amended thereby), regardless of the date enacted, adopted or issued, or any rules, guidelines, standards, policies, regulations, or directives promulgated by the Basel Committee on Banking Supervision or the Bank for International Settlements (or any successor or similar organizations), regardless of the date enacted, adopted or issued, shall:

(i) change the basis of taxation of payments to the Bank or such Participant of any amounts payable hereunder or under the Fee Letter (except for taxes on the overall net income of the Bank or such Participant); or

(ii) impose, modify or deem applicable any reserve, liquidity, capital or liquidity ratio, special deposit, insurance premium, fee, financial charge, monetary burden or similar requirement against funding any Drawing under the Letter of Credit or maintaining the Letter of Credit, or making any Advance under, or complying with any term of, this Agreement, or against assets held by, or deposits with or for the account of, the Bank or such Participant; or

(iii) impose on the Bank or such Participant any other condition, expense or cost regarding this Agreement, any Drawings or Advances, or the Letter of Credit;

and the result of any event referred to in clause (i), (ii) or (iii) above shall be to increase the cost to the Bank or such Participant of funding any Drawing under the Letter of Credit or maintaining the Letter of Credit, or making any Advance under, or complying with any term of, this Agreement or the Letter of Credit or to reduce the amount of any sum received or receivable by the Bank or such Participant hereunder or under the Fee Letter (each such instance, referred to individually herein as a “*Reduction in Amount*” and, collectively as “*Reductions in Amount*”), then the City shall pay to the Bank at such time and in such amount as is set forth in paragraph (c) of this Section 2.14, such additional amount or amounts as will compensate the Bank or such Participant for such increased costs or Reductions in Amount.

The Bank or Participant (as the case may be) shall use commercially reasonable efforts to provide to the City, as soon as reasonably practicable after a Responsible Officer (as hereinafter defined) has actual knowledge that the Bank or Participant (as the case may be) has determined to demand additional compensation under this Section 2.14(a) and the amount thereof, written notice of the occurrence or expected occurrence of any event referred to in clause (i), (ii) or (iii) above, setting forth in reasonable detail the amount or amounts of such additional compensation (such notice, a “*Yield Protection Demand Notice*”) and the date or anticipated date upon which

the Bank or Participant is demanding or expects to make such demand upon the City. Subject to the third full paragraph of Section 2.14(c) hereof, in the event that the City pays all outstanding Obligations and effects the termination of the Letter of Credit (the date of such payment and termination, the “*Section 2.14 Termination Date*”), then the City shall not be obligated to pay any compensation set forth in such Yield Protection Demand Notice for any increased costs or Reductions in Amount incurred or suffered during, or relating to, any period after the Section 2.14 Termination Date. The City and the Bank agree that the intent of this provision is solely to assist the City in managing its financing costs and that the Bank shall have no liability of any kind for failure to timely provide a Yield Protection Demand Notice. All such amounts will be payable as set forth in Section 2.14(c) hereof. As used in this provision, “*Responsible Officer*” means the officer of the Bank to whom notices to the Bank are required to be addressed under Section 9.02.

Notwithstanding the foregoing, a failure or delay by the Bank or any Participant to deliver to the City a Yield Protection Demand Notice shall in no event relieve the obligation of the City of any obligation under this Section 2.14(a). Additionally, nothing set forth in this Section 2.14(a) shall limit the obligation of the City to pay to the Bank any increased cost imposed upon the Bank related to any event referred to in clause (i), (ii) or (iii) of this Section 2.14(a).

(b) If the Bank or any Participant shall have determined that the adoption or implementation of, or any change in, any law, rule, treaty, regulation, policy, guideline, supervisory standard or directive of, or any change in the interpretation, implementation, or administration thereof by, any Governmental Authority (in each case whether or not having the force of law), or compliance by the Bank or any Participant with any request by or directive of any Governmental Authority (in each case, whether or not having the force of law), including but not limited to any such law, rule, regulation, policy, guideline, standard, directive, interpretation, application or promulgation implementing, invoking or in any way related to any provision (as now or hereafter amended) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (or any other statute referred to therein or amended thereby) or any rules, guidelines, standards, or directives promulgated by the Basel Committee on Banking Supervision or the Bank for International Settlements (or any successor or similar organizations), shall impose, modify or deem applicable any capital or liquidity (including but not limited to contingent capital or liquidity) adequacy, reserve, insurance, liquidity or similar requirement (including, without limitation, a request or requirement that affects the manner in which the Bank or any Participant allocates capital or liquidity resources or reserves to its commitments) that either:

(i) affects or would affect the amount of capital or liquidity or reserves to be maintained by the Bank or such Participant, or

(ii) reduces or would reduce the rate of return on the Bank’s or such Participant’s capital or liquidity or reserves to a level below that which the Bank or such Participant could have achieved but for such circumstances (taking into consideration the policies of the Bank or such Participant with respect to capital or liquidity adequacy or the maintenance of reserves) then,

then the Bank or Participant (as the case may be) shall use commercially reasonable efforts to provide to the City, as soon as reasonably practicable after its Responsible Officer (as hereinafter defined) has actual knowledge that the Bank has determined to demand additional compensation for such reduction under this Section 2.14(b) and the amount thereof, written notice of the occurrence or expected occurrence of any event referred to in clause (i) or (ii), setting forth in reasonable detail the amount or amounts of such additional compensation (such notice, a “*Capital or Liquidity Adequacy Demand Notice*”) and the date or anticipated date upon which the Bank or Participant is demanding or expects to make such demand upon the City. Subject to the third full paragraph of Section 2.14(c) hereof, in the event that the City pays all outstanding Obligations and effects the termination of the Letter of Credit, then the City shall not be obligated to pay any compensation set forth in such Capital or Liquidity Adequacy Demand Notice for any such reduction incurred or suffered during, or relating to, any period after the Section 2.14 Termination Date. The City and the Bank agree that the intent of this provision is solely to assist the City in managing its financing costs and that the Bank shall have no liability of any kind for failure to timely provide a Capital or Liquidity Adequacy Demand Notice. All such amounts will be payable as set forth in Section 2.14(c) hereof.

Notwithstanding the foregoing, (i) a failure or delay by the Bank or any Participant to deliver to the City a Capital or Liquidity Adequacy Demand Notice shall in no event relieve the obligation of the City of any obligation under this Section 2.14(b). Additionally, nothing set forth in this Section 2.14(b) shall limit the obligation of the City to pay to the Bank any increased cost imposed upon the Bank related to any event referred to in clause (i) or (ii) of this Section 2.14(b).

(c) All payments of amounts referred to in this Section 2.14 shall be paid by the City, subject to Section 2.10 hereof, to the Bank, for its own account, or to the Participant for the account of such Participant, as applicable, within sixty (60) days of the date the Bank or Participant makes demand therefor on the City; *provided that*, subject to the following proviso, any increased costs in excess of the product of twenty basis points (0.20%) times the Revised Stated Amount shall be paid by the City, subject to Section 2.10 hereof, to the Bank, for its own account, or to the Participant for the account of such Participant, as applicable, within one hundred twenty (120) calendar days of the date the Bank or the Participant, as applicable, makes demand therefor on the City; *provided further* that to the extent a particular amount of increased costs in excess of the product of twenty basis points (0.20%) times the Revised Stated Amount is expected to be an ongoing obligation of the City (referred to herein as “*Recurring Increased Costs*”) as determined by the Bank or the Participant, as applicable, in a written notice from the Bank or the Participant, as applicable, to the City, then after the first payment of such Recurring Increased Costs pursuant to the immediately preceding proviso, subsequent payments of such Recurring Increased Costs shall be due and payable within sixty (60) days of the date the Bank or Participant makes demand therefor on the City or on such recurring payment date as otherwise agreed to in writing by the Bank and the City.

The amounts demanded in the respective Yield Protection Demand Notice or Capital or Liquidity Adequacy Demand Notice or any other written notice from the Bank to the City making a demand on the City for the payment of increased costs or Reductions in Amount pursuant to this Section 2.14, as applicable, are intended to compensate the Bank or Participant, as applicable, for such increased costs or Reductions in Amount incurred by the Bank or such

Participant as a result of any event referred to in subsections (a) or (b) above. Any Yield Protection Demand Notice or Capital or Liquidity Adequacy Demand Notice or any other written notice from the Bank to the City making a demand on the City for the payment of increased costs or Reductions in Amount pursuant to this Section 2.14 submitted by the Bank or any Participant to the City shall be conclusive as to the amount thereof absent manifest error.

The City shall not be required to compensate the Bank or any Participant pursuant to this Section 2.14 in respect of a period occurring more than six (6) months prior to the date the above described written demand is given to the City with respect thereto (the “*Cut-Off Date*”), except where (i) the Bank or Participant, as applicable, had no actual knowledge of the action resulting in such increased costs, increased capital or liquidity or Reduction in Amount, as applicable, as of the Cut-Off Date or (ii) such increased costs, increased capital or liquidity or Reduction in Amount apply to the Bank or Participant retroactively to a date prior to the Cut-Off Date.

In making the determinations contemplated by any Yield Protection Demand Notice or Capital or Liquidity Adequacy Demand Notice or any other written notice from the Bank to the City making a demand on the City for the payment of increased costs or Reductions in Amount pursuant to this Section 2.14, the Bank or Participant may make and shall include in such notice such reasonable estimates, assumptions, allocations and the like that the Bank or Participant in good faith determines to be appropriate. For purposes of this Section 2.14, the term “Bank” or “Participant” as applicable, shall also include any entity controlling the Bank or Participant or the holding company thereof. For purposes of the immediately preceding sentence, “controlling” means the power to direct the management and policies of the Bank, directly or indirectly, whether through the ownership of voting rights, membership, the power to appoint members, trustees or directors, by contract or otherwise. The obligations of the City under this Section 2.14 shall survive the termination of this Agreement, the Letter of Credit and repayment of all Obligations hereunder and under the Fee Letter.

Notwithstanding anything to the contrary in this Section 2.14 to the contrary, in the event the Bank grants any participation to any Participant, no such Participant shall be entitled to receive payment pursuant to this Section 2.14 in an amount greater than the amount which would have been payable had the Bank not granted a Participation to such Participant and the City’s liability to any Participant shall not in any event exceed that liability which the City would owe to the Bank but for such participation.

Section 2.15. Maximum Rate; Payment of Fee. If the rate of interest payable hereunder or under the Fee Letter shall exceed the Maximum Rate for any period for which interest is payable, then (a) interest at the Maximum Rate shall be due and payable with respect to such interest period; and (b) interest at the rate equal to the difference between (i) the rate of interest calculated in accordance with the terms hereof without regard to the Maximum Rate and (ii) the Maximum Rate (the “*Excess Interest*”), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof or the Fee Letter, if applicable, ceases to exceed the Maximum Rate, at which time the City shall pay to the Bank, with respect to amounts then payable to the Bank that are required to accrue interest hereunder or under the Fee Letter, as applicable, such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Bank to equal the Maximum Rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder and under the Fee Letter, as applicable, until

all deferred Excess Interest is fully paid to the Bank. Upon the termination of the Letter of Credit, in consideration for the limitation of the rate of interest otherwise payable hereunder and under the Fee Letter, the City shall pay to the Bank a fee equal to the amount of all unpaid deferred Excess Interest.

Section 2.16. Security of Obligations. (a) In order to secure the timely payment of all Reimbursement Obligations, the City hereby irrevocably pledges the Revenues and the other funds, assets and security described in the Subordinate General Resolution (“*Trust Assets*”) to the Bank, which pledge of and lien on the Revenues and Trust Assets with respect to Reimbursement Obligations is on a parity with the pledge of and lien on the Revenues and Trust Assets for Subordinate Bonds set forth in the Subordinate General Resolution and subordinate only with respect to Senior Lien Bonds. This pledge of and lien on the Revenues and Trust Assets shall constitute a valid pledge of and charge and lien upon the Revenues and Trust Assets, shall immediately attach and be effective, binding, and enforceable against the City, its successors, purchasers of any of the Revenues and Trust Assets, creditors, and all others asserting rights therein to the extent set forth in, and in accordance with, the Subordinate General Resolution, irrespective of whether those parties have notice of the lien on, and pledge of the Revenues and Trust Assets and without the need for any physical delivery, recordation, filing or further act.

(b) In order to secure the timely payment of all Obligations (other than Reimbursement Obligations) and to secure the performance and observance of all of the covenants, agreements and conditions contained in this Agreement and the Program Documents to which the Bank is a party, the City hereby irrevocably pledges the Revenues and Trust Assets to the Bank, which pledge of and lien on the Revenues and Trust Assets with respect to such Obligations is subordinate only to the pledge of and lien on Revenues and Trust Assets for Reimbursement Obligations, Subordinate Bonds and Senior Lien Bonds. This pledge of and lien on the Revenues and Trust Assets shall constitute a valid pledge of and charge and lien upon the Revenues, shall immediately attach and be effective, binding, and enforceable against the City, its successors, purchasers of any of the Revenues and Trust Assets, creditors, and all others asserting rights therein to the extent set forth in, and in accordance with, the Subordinate General Resolution and the Supplemental Resolution, irrespective of whether those parties have notice of the lien on and pledge of the Revenues and Trust Assets and without the need for any physical delivery, recordation, filing or further act.

(c) For purposes of Section 3.02 of the Subordinate General Resolution, this Reimbursement Agreement is entered into under the terms of the Subordinate General Resolution and the Reimbursement Obligations and the Bank Note and interest thereon (representing the reimbursement obligations hereunder) are “Subordinate Bonds.” The Reimbursement Obligations and the Bank Note and the interest thereon is junior and subordinate in all respects to the Senior Lien Bonds as to lien on and source and security for payment from the Revenues.

(d) The Reimbursement Obligations and the Bank Note and the interest thereon shall be and are special, limited obligations of the City and the City shall be obligated to pay the principal of and interest on the Notes solely from the Revenues and from amounts in the SCM Fund, the CP Debt Service Fund established with the Issuing and Paying Agent in accordance with the terms of the A&R First Supplemental Resolution and the CP Construction Funds into

which proceeds of New Issue Commercial Paper Notes are deposited; provided that the payment of the principal of and interest on the Notes from the Revenues and from amounts in the SCM Fund shall be subordinate to the City's obligations to make payments on the Senior Lien Bonds and to make deposits required by the Senior Lien Resolution. The general fund of the City is not liable for the payment of the Reimbursement Obligations and the Bank Note and the interest thereon. Neither the full faith and credit nor the taxing power of the City is pledged to pay the Reimbursement Obligations and the Bank Note and the interest thereon. The Reimbursement Obligations and the Bank Note and the interest thereon 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 Revenues and Trust Assets.

ARTICLE III.

COMMERCIAL PAPER NOTES OPERATIONS

Section 3.01. Issuance Generally. The City may issue Commercial Paper Notes only in accordance with the terms of and subject to the conditions set forth in the Resolution, the Issuing and Paying Agent Agreement and this Agreement.

Section 3.02. Tier One Stop Issuance Instruction; Tier One Final Drawing Notice; Tier Two Termination Notice; Revised Tier Two Termination Notice. (a) Commercial Paper Notes may be issued from time to time prior to the Letter of Credit Expiration Date in accordance herewith and with the terms of and subject to the conditions set forth in the Resolution and the Issuing and Paying Agent Agreement so long as (i) the Issuing and Paying Agent is not in receipt of a Tier One Stop Issuance Instruction then in effect given by the Bank pursuant to this Section 3.02 or Section 7.02(b) hereof and not rescinded and (ii) the Issuing and Paying Agent is not in receipt of a Tier One Final Drawing Notice in substantially the form attached to the Letter of Credit as Annex H-1. Upon the Issuing and Paying Agent's receipt of a Tier Two Termination Notice given by the Bank pursuant to this Section 3.02 and not rescinded, no Commercial Paper Notes may be issued thereafter with a maturity later than the one hundred twentieth (120th) day (or such earlier day as may be provided in Section 3.02(c) hereof following the date of delivery of such Tier Two Termination Notice (the "*Tier Two Termination Date*") and on the Tier Two Termination Date, the Issuing and Paying Agent shall make the final Drawing under the Letter of Credit to provide for the payment of Commercial Paper Notes issued in accordance with the Resolution and the Issuing and Paying Agent Agreement which are outstanding and are maturing on or after the Tier Two Termination Date. Upon the Issuing and Paying Agent's receipt of a Revised Tier Two Termination Notice given by the Bank pursuant to this Section 3.02 and not rescinded, no Commercial Paper Notes may be issued thereafter with a maturity later than the earlier of (i) the fifteenth (15th) day following receipt of the Revised Tier Two Termination Notice or (ii) any existing Tier Two Termination Date (the earlier of such dates, the "*Revised Tier Two Termination Date*"). On the Revised Tier Two Termination Date, the Issuing and Paying Agent shall make the final Drawing under the Letter of Credit to provide for the payment of Commercial Paper Notes issued in accordance with the Resolution and the Issuing and Paying Agent Agreement which are outstanding and are maturing on or after the Revised Tier Two Termination Date.

(b) The Bank may deliver a Tier One Stop Issuance Instruction in the form of Exhibit A attached hereto at any time when: (i) an Event of Default shall have occurred and be continuing; or (ii) the representations and warranties of the City set forth in Article V hereof shall, in the reasonable opinion of the Bank, no longer be true and correct in any material respect. The Bank may deliver the Tier One Final Drawing Notice at any time when an Event of Default shall have occurred and be continuing. A Tier One Stop Issuance Instruction or the Tier One Final Drawing Notice shall be effective when received by the Issuing and Paying Agent; *provided, however*, that a Tier One Stop Issuance Instruction or the Tier One Final Drawing Notice received by the Issuing and Paying Agent after 11:00 A.M. New York City time, on any day on which Commercial Paper Notes are being issued shall be effective on the next succeeding day. A Tier One Stop Issuance Instruction or the Tier One Final Drawing Notice may be given by facsimile or electronic mail transmission, confirmed in writing within twenty-four (24) hours, but the failure to so confirm such Tier One Stop Issuance Instruction or the Tier One Final Drawing Notice in writing shall not render such Tier One Stop Issuance Instruction or the Tier One Final Drawing Notice ineffective. The Bank will furnish a copy of any Tier One Stop Issuance Instruction or the Tier One Final Drawing Notice to the City and the Dealers promptly following delivery thereof to the Issuing and Paying Agent, but the failure to furnish any such copy shall not render ineffective such Tier One Stop Issuance Instruction or the Tier One Final Drawing Notice.

(c) The Bank may deliver a Tier Two Termination Notice in the form of Annex I attached to the Letter of Credit at any time when it has been determined by the Bank in its sole and absolute discretion that the Bank is unable to comply with any of the Equal Employment Practices, the Child Support Provisions, the Measure H Ordinance or the Use of Criminal History Provisions as a result of (i) any change in the Bank's policies after the Amendment Effective Date or (ii) any adopted or enacted changes, additions, amendments or modifications to the Equal Employment Practices, the Child Support Provisions, the Measure H Ordinance and/or the Use of Criminal History Provisions after the Amendment Effective Date. A Tier Two Termination Notice (or Revised Tier Two Termination Notice, as applicable) shall be effective when received by the Issuing and Paying Agent; *provided, however*, that a Tier Two Termination Notice (or Revised Tier Two Termination Notice, as applicable) received by the Issuing and Paying Agent after 11:00 A.M. New York City time, on any day on which Commercial Paper Notes are being issued shall be effective on the next succeeding day. Notwithstanding the foregoing, in the event any monetary or civil penalties are imposed on the Bank as a result of its inability to comply with one or more provisions of the Equal Employment Practices, the Child Support Provisions, the Measure H Ordinance or the Use of Criminal History Provisions as a result of (i) any change in the Bank's policies after the Amendment Effective Date or (ii) any adopted or enacted changes, additions, amendments or modifications to the Equal Employment Practices, the Child Support Provisions, the Measure H Ordinance and/or the Use of Criminal History Provisions after the Amendment Effective Date, then upon the Bank's delivery of a Revised Tier Two Termination Notice (in the form of Annex J attached to the Letter of Credit) setting forth a Revised Tier Two Termination Date (which may be sooner than the original Tier Two Termination Date, but in any event not sooner than the earliest to occur of (a) the 15th day following the Issuing and Paying Agent's receipt of the Revised Tier Two Termination Notice, or (b) the original Tier Two Termination Date), the Issuing and Paying Agent shall make the final Drawing under the Letter of Credit on such Revised Tier Two Termination Date to provide for the payment of Commercial Paper Notes issued in accordance with the Resolution

and the Issuing and Paying Agent Agreement which are outstanding and are maturing on or after the Revised Tier Two Termination Date. A Tier Two Termination Notice or Revised Tier Two Termination Notice may be given by facsimile or electronic mail transmission, confirmed in writing within twenty-four (24) hours, but the failure to so confirm such Tier Two Termination Notice or Revised Tier Two Termination Notice in writing shall not render any such notice ineffective. The Bank will furnish a copy of any Tier Two Termination Notice or Revised Tier Two Termination Notice to the City and the Dealer promptly following delivery thereof to the Issuing and Paying Agent, but the failure to furnish any such copy shall not render ineffective such Tier Two Termination Notice or Revised Tier Two Termination Notice. Notwithstanding any provisions of this paragraph to the contrary, in the event (1) the City provides a waiver or exemption to the Bank which states that the Bank (x) is not required to comply with the Equal Employment Practices, the Child Support Provisions, the Measure H Ordinance or the Use of Criminal History Provisions, as applicable, (y) is not in violation of the Equal Employment Practices, the Child Support Provisions, the Measure H Ordinance or the Use of Criminal History Provisions, as applicable and/or (z) is not required to satisfy any monetary or civil penalties imposed on the Bank related to the Equal Employment Practices, the Child Support Provisions, the Measure H Ordinance or the Use of Criminal History Provisions, as applicable, and (2) the Bank receives a City Attorney's opinion or other opinion of counsel satisfactory to the Bank confirming the foregoing, the Bank shall immediately rescind the Tier Two Termination Notice or Revised Tier Two Termination Notice, as applicable, and such Tier Two Termination Notice or Revised Tier Two Termination Notice shall no longer be effective.

ARTICLE IV.

CONDITIONS PRECEDENT

Section 4.01. Conditions Precedent to Issuance of the Original Letter of Credit; Conditions Precedent to Issuance of the Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date. The conditions precedent to the Bank's issuance of the Original Letter of Credit on the Closing Date were as set forth in the Original Agreement. As conditions precedent to the obligation of the Bank to issue the Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date, the City shall provide to the Bank on the Amendment Effective Date, each in form and substance satisfactory to the Bank and the Bank's counsel, Chapman and Cutler LLP (hereinafter, "*Bank's Counsel*"): ¹

(a) Approvals. The Bank shall have received (1) executed originals of this Agreement and the Fee Letter duly executed by the City and copies of all action taken by the City (including, without limitation, the Resolution and the Issuing and Paying Agent Agreement) approving the execution and delivery by the City of this Agreement, the Fee Letter and the Bank Note, in each case, certified by an authorized official of the City as complete and correct as of the date hereof and (2) executed or certified copies, as applicable, of each of the other Program Documents (except the Commercial Paper Notes) to which the City is a party, together with a certificate of an Authorized City Representative of the City, dated the Amendment Effective Date, stating that such Program Documents and approvals are in full force and effect on the

¹ Please note that the City would like (enforceability, 3(a)(2) and disclosure) domestic and foreign opinions delivered on behalf of the Bank. The City will also need the following updated forms: Ethics Form 50, Ethics Form 55, Iran Contracting Act of 2010 Compliance Affidavit and Responsible Banking Ordinance (RBO) Form.

Amendment Effective Date and have not been amended, repealed, rescinded, or supplemented in any manner, except for such amendments made in accordance with the express terms of such Program Documents for which the City has provided notice to the Bank prior to the Amendment Effective Date.

(b) Certificate and Incumbency of City Officials. The Bank shall have received (1) an incumbency and specimen signature certificate of the City in respect of each of the officials who is authorized to (i) sign this Agreement, the Fee Letter and the Bank Note on behalf of the City and (ii) take actions for the City under this Agreement, the Fee Letter, the Bank Note and the other Program Documents (to which the City is a party) with respect to the Commercial Paper Notes and (2) a certificate of an Authorized City Representative of the City, dated the Amendment Effective Date, certifying that (A) each of the City's representations and warranties contained herein and the other Program Documents to which the City is a party is true and correct on and as of the Amendment Effective Date as though made on and as of such date, (B) no Default or Event of Default has occurred and is continuing or will result from the execution and delivery by the City of this Agreement, the Fee Letter or the issuance of the Letter of Credit, (C) since June 30, 2020, except as disclosed to the Bank in writing, there has been no Material Adverse Change and there has been no material adverse change in the laws, rules or regulations (or their interpretation or administration) and no material litigation is ongoing with respect to the City, in any case, that may adversely affect the consummation of the transactions contemplated hereby or by any Program Document or result in a Material Adverse Effect, (D) all conditions precedent set forth in the Resolution and the Issuing and Paying Agent Agreement with respect to issuance of any outstanding the Commercial Paper Notes shall have been satisfied and (E) the City has not received notice from the Rating Agencies that the long term unenhanced ratings of Parity Debt have been withdrawn, reduced or suspended since the dated date of the Rating Documentation.

(c) Opinion of Bond Counsel. The Bank shall have received a written opinion of Bond Counsel, addressed to the Bank, dated the Amendment Effective Date, with respect to due authorization and enforceability of the A&R First Supplemental Resolution and the Issuing and Paying Agent Agreement, in the form and substance acceptable to the Bank. In addition, the Bank shall have received a letter from Bond Counsel authorizing the Bank to rely on the final approving opinion of Bond Counsel delivered to the City in respect of the Commercial Paper Notes.

(d) Opinion of City Attorney. The Bank shall have received a written opinion of the City Attorney, addressed to the Bank, dated the Amendment Effective Date in the form and substance agreed to by the City Attorney and the Bank, to the effect that: (i) this Agreement, the Fee Letter and the Bank Note have been duly authorized, executed and delivered by the City and are the valid and binding obligations of the City enforceable in accordance with their respective terms, except as may be limited by the valid exercise of judicial discretion and the constitutional powers of the United States of America and to valid bankruptcy, insolvency, reorganization or moratorium, fraudulent conveyance or other similar laws applicable to the City and equitable principles relating to or affecting creditors' rights generally from time to time; (ii) the execution and delivery by the City of this Agreement, the Fee Letter and the Bank Note does not violate the constitution or laws of the State; and (iii) the City Council on behalf of the City has taken all

actions, and has obtained any approvals, necessary to the authorization, execution, delivery and performance by the City of this Agreement, the Fee Letter and the Bank Note.

(e) Bank Note. The Bank shall have received an executed Bank Note payable to the Bank.

(f) No Default, Etc. No Event of Default shall have occurred and be continuing as of the date hereof or will result from the execution and delivery by the City of this Agreement, the Fee Letter and the Bank Note or the issuance of the Letter of Credit. The representations and warranties and covenants made by the City in Article V hereof shall be true and correct in all material respects on and as of the Amendment Effective Date, as if made on and as of such date.

(g) Legality; Material Adverse Change. The Bank shall have determined (in its sole discretion) that (i) none of the making of any Drawings or Advances, the issuance of the Letter of Credit or the consummation of any of the transactions contemplated by the Resolution, the Issuing and Paying Agent Agreement, the Commercial Paper Notes, the Bank Note, this Agreement or the Fee Letter will violate any law, rule, guideline or regulation applicable to the City, the System, the Bank, this Agreement or any other Program Document; and (ii) no material adverse change in the ratings, financial condition, business, assets, liabilities or prospects of the City or the System shall have occurred since June 30, 2020, except as disclosed in writing to the Bank prior to the Amendment Effective Date, which would be reasonably likely to result in a Material Adverse Effect; and (iii) there has been no material adverse change in the laws, rules or regulations (or their interpretation or administration) that, in any case, may adversely affect the consummation of the transactions contemplated hereby or by any Program Document.

(h) Fees, Etc. The Bank shall have received payment of the fees, costs and expenses to be paid on or prior the Amendment Effective Date referred to in Section 9.06 hereof and pursuant to the Fee Letter.

Section 4.02. Conditions Precedent to Term Out. The extension of the maturity of each Advance on the Term Out Commencement Date pursuant to Section 2.03(a)(v) is subject to the satisfaction on the Term Out Commencement Date of each of the following conditions precedent: (a) the representations and warranties contained in Article V of this Agreement are true and correct in all material respects as of such date; and (b) no event has occurred and is continuing which constitutes a Default or Event of Default. For the avoidance of doubt, as provided in Section 2.03(a)(ii) hereof, the portion of each Advance corresponding to the accrued interest on the Commercial Paper Notes shall be due and payable on the date of the relevant Drawing.

Unless the City shall have previously advised the Bank in writing that (i) any or all of the representations and warranties contained in Article V of this Agreement are not true and correct in any material respect as of the Term Out Commencement Date or (ii) any event has occurred and is continuing, or would result from the Bank extending the maturity of an Advance which constitutes a Default or Event of Default, then the City shall be deemed to have represented and warranted on the Term Out Commencement Date that (i) the representations and warranties contained in Article V of this Agreement are true and correct in all material respects as of such

date and (ii) no event has occurred and is continuing as of such date which constitutes a Default or Event of Default.

ARTICLE V.

REPRESENTATIONS AND WARRANTIES

In order to induce the Bank to enter into this Agreement and the Fee Letter and to issue the Letter of Credit, the City represents and warrants to the Bank as follows:

Section 5.01. Existence and Power. The City is a municipal corporation and chartered city duly organized and existing under and by virtue of the laws of the State of California and the Charter as may be amended from time to time, and is (and was, as applicable) possessed of full powers to own and lease (as lessor and lessee) real and personal property, to own and operate the System, and to execute and deliver this Agreement, the Fee Letter, the Bank Note, the Issuing and Paying Agent Agreement, each Dealer Agreement, the Commercial Paper Notes, the Senior Lien Resolution, the Subordinate General Resolution, the Resolution, the Supplemental Resolution (collectively, the “City Documents”), which powers have been validly exercised in connection with the transactions contemplated or effected by this Agreement and the other Program Documents.

Section 5.02. Due Authorization. (a) The City has the corporate power, and has taken all necessary corporate action to (i) authorize the City Documents, and to execute, deliver and perform its obligations under this Agreement and each of the other City Documents in accordance with their respective terms, (ii) issue and sell, from time to time, the Commercial Paper Notes as provided in the Program Documents and make payment of principal and interest, if any, on the Commercial Paper Notes and to pay the Obligations at the times and in the manner set forth herein and (iii) possess, manage and operate the System. The City has approved the form of the Program Documents to which it is not a party.

(b) The City is duly authorized to own Property and the System and to operate its business under the laws, rulings, regulations and ordinances of all Governmental Authorities having the jurisdiction to license or regulate the System and the City has obtained all requisite approvals of all such governing bodies required to be obtained for such purposes. All Governmental Approvals necessary for the City to execute and deliver the City Documents and to perform the transactions contemplated hereby and thereby and to conduct its business activities and own its Property have been obtained and remain in full force and effect and are subject to no further administrative or judicial review. No other Governmental Approval or other action by, and no notice to or filing with, any Governmental Authority is required for the due execution, delivery and performance by the City of this Agreement or the due execution and delivery or performance by the City of the City Documents.

(c) The current collection of Revenues and the management of the System and the accounting and recordkeeping therefor are in material compliance with all applicable state and federal laws and all applicable resolutions, ordinances and rules of the City.

Section 5.03. Valid and Binding Obligations. This Agreement has been duly executed and delivered by one or more duly authorized officers of the City, and each of the City Documents, when executed and delivered by the City is or will be (as applicable), a legal, valid and binding obligation of the City enforceable in accordance with its terms, except as such enforceability may be limited by (a) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally, and (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 5.04. Noncontravention; Compliance with Law. The execution, delivery and performance by the City of this Agreement and the other City Documents and the other documents contemplated hereby and thereby are within the powers of City, have been duly authorized by all necessary actions and (i) do not contravene the Charter as amended or the City Administrative Code or any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or any indenture, agreement, lease, instrument or other contractual restriction binding on or affecting the City, (ii) except as provided in or contemplated by this Agreement and the other City Documents, do not result in or require the creation of any Lien, security interest or other charge or encumbrance upon or with respect to any asset of the City, (iii) do not and will not violate any Laws (including, without limitation, Regulations T, U or X of the FRB, or any successor regulations) and (iv) do not and will not conflict with, result in a breach of or constitute a default under any contract to which the City is a party or by which it or any of its Property (including, without limitation, the System) may be bound. The City is not in violation of or in default in any respect under any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or any indenture, agreement, lease, instrument or other contractual restriction or any City Document. The City and the System are in compliance with all Laws, except for such noncompliance that, singly or in the aggregate, has not caused or is not reasonably expected to cause a Material Adverse Effect.

Section 5.05. Pending Litigation and Other Proceedings. There is no action, suit or proceeding pending in any court, any other Governmental Authority with jurisdiction over the City or the System or any arbitration in which service of process has been completed against the City or, to the knowledge of the City, any other action, suit or proceeding pending or threatened in any court, any other Governmental Authority with jurisdiction over the City or the System or any arbitrator, in either case against the City (including, without limitation, the ability of the City to establish and collect rates for use of the System), affecting the existence of the City or the System, the title of any executive officials to their respective offices, the System or affecting or seeking to prohibit, restrain or enjoin the execution or delivery of this Agreement or any other City Document, or in any way contesting or affecting the validity or enforceability of the Commercial Paper Notes, this Agreement, any other City Document or any Obligation or contesting the tax-exempt status of the Tax-Exempt Commercial Paper Notes, or contesting the powers of the City or any authority for the issuance of the Commercial Paper Notes, the execution and delivery of this Agreement or the other City Documents, nor, to the best, knowledge of the City, is there any basis therefor, which, if determined adversely to the City (i) would adversely affect the validity or enforceability of, or the authority or ability of the City to perform its obligations under, this Agreement or any other City Documents, (ii) would, in the reasonable opinion of the City, have a Material Adverse Effect, (iii) would adversely affect the exclusion of interest on the Tax-Exempt Commercial Paper Notes from gross income for Federal

income tax purposes or the exemption of such interest from State of California personal income taxes or (iv) which could reasonably be expected to result in a Material Adverse Effect, except any action, suit or proceeding which has been brought prior to the Amendment Effective Date as to which the Bank has received an opinion of counsel satisfactory to the Bank, in form and substance satisfactory to the Bank and the Bank's legal counsel, to the effect that such action, suit or proceeding is without substantial merit.

Section 5.06. Financial Statements. (a)(i) The financial statements of the System delivered to the Bank pursuant Section 4.01(g) and the related consolidated statements of activities and changes in net assets and the related consolidated statements of cash flows, and accompanying notes thereto, are complete and correct and fairly present the financial condition of the System in all material respects as of the dates thereof and the results of its operations for the periods then ended, in each case in conformity with GAAP. Since the date of the financial information, reports, papers and data most recently delivered to the Bank, there has been no Material Adverse Change in the business, financial position, or results of operations of the System.

(ii) The financial statements of the System most recently delivered to the Bank pursuant Section 6.05(a) and the related consolidated statements of activities and changes in net assets and the related consolidated statements of cash flows, and accompanying notes thereto, are complete and correct and fairly present the financial condition of the System in all material respects as of the dates thereof and the results of its operations for the periods then ended, in each case in conformity with GAAP.

(b) Except as fully reflected in the financial statements of the System and except for the City's obligations set forth in this Agreement and the other City Documents, there are as of the date hereof no liabilities or obligations with respect to the City of any nature whatsoever (whether absolute, accrued, contingent or otherwise and whether or not due) which, in the aggregate, would be material to the System. The City does not know of any basis for the assertion against the City of any liability or obligation of any nature whatsoever that is not fully reflected in the financial statements included provided to the Bank which, in the aggregate, could be material to the System.

Section 5.07. Employee Benefit Plan Compliance. The City has no funding liability or obligation currently due and payable with respect to any employee benefit plan which could reasonably be expected to result in a Material Adverse Effect. The City is otherwise in compliance with the terms of any such plan in which the City participates to the extent any such failure to comply could reasonably be expected to result in a Material Adverse Effect. The City currently has a Plan which is in compliance in all respects with the requirements of the applicable Laws of the State of California, including without limitation the obligation to pay contributions on behalf of its employees in accordance therewith, and the City has no Plan which is subject to the requirements of ERISA. No condition exists or event or transaction has occurred with respect to any Plan which could reasonably be expected to result in the incurrence by the City of any material liability, fine or penalty.

Section 5.08. No Defaults. No default by the City has occurred and is continuing in the payment of the principal of or premium, if any, or interest on any Parity Debt or Senior Debt

including, without limitation, regularly scheduled payments on any Swap Agreements which constitute Parity Debt. No bankruptcy, insolvency or other similar proceedings pertaining to the City or any agency or instrumentality of the City are pending or presently contemplated. No Default or Event of Default has occurred and is continuing hereunder. No “default” or “event of default” under, and as defined in, any of the other City Documents has occurred and is continuing. The City is not presently in default under any material agreement to which it is a party which could reasonably be expected to have a Material Adverse Effect. The City is not in violation of any material term of the organizational documents or authorizing legislation applicable to the City or any material term of any bond indenture or agreement to which it is a party or by which any of its Property (including, without limitation, the System) is bound which could reasonably be expected to result in a Material Adverse Effect.

Section 5.09. Insurance. The City currently maintains a system of self-insurance or insurance coverage with insurance companies believed by the City to be capable of performing their obligations under the respective insurance policies issued by such insurance companies to the City (as determined in its reasonable discretion) and in full compliance with Section 6.11 of the Resolution and Section 6.04 hereof. The SCM Fund maintains an Operations and Maintenance Reserve equal to 45 days of budgeted operations and maintenance expenditures which may be used to satisfy any liability claims payable by the System and/or losses to property or equipment of the System. On the Amendment Effective Date, the Operations and Maintenance Reserve is \$[48,741,266].

Section 5.10. Title to Assets. The City has good and marketable title to its assets except where the failure to have good and marketable title to any of its assets would not have a Material Adverse Effect.

Section 5.11. Incorporation by Reference. The representations and warranties of the City contained in the other City Documents to which the City is a party, together with the related definitions of terms contained therein, are hereby incorporated by reference in this Agreement as if each and every such representation and warranty and definition were set forth herein in its entirety, and the representations and warranties made by the City in such Sections are hereby made for the benefit of the Bank. No amendment to or waiver of such representations and warranties or definitions made pursuant to the relevant other City Document or incorporated by reference shall be effective to amend such representations and warranties and definitions as incorporated by reference herein without the prior written consent of the Bank.

Section 5.12. Correct Information. All information, reports and other papers and data with respect to the City furnished by the City to the Bank were, at the time the same were so furnished, correct in all material respects. Any financial, budget and other projections furnished by the City to the Bank were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent (subject to the updating or supplementation of any such financial, budget or other projections by any additional information provided to the Bank in writing, the representations contained in this Agreement being limited to financial, budget or other projections as so updated or supplemented), in the judgment of the City, a reasonable, good faith estimate of the information purported to be set forth, it being understood that uncertainty is

inherent in any projections and that no assurance can be given that the results set forth in the projections will actually be obtained. No fact is known to the City that materially and adversely affects or in the future may (as far as it can reasonably foresee) materially and adversely affect the security for any of the Commercial Paper Notes or any Obligation, or the ability of the City to repay when due the Obligations, that has not been set forth in the financial statements and other documents referred to in this Section 5.12 or in such information, reports, papers and data or otherwise disclosed in writing to the Bank. The documents furnished and statements made by the City in connection with the negotiation, preparation or execution of this Agreement and the Program Documents do not contain untrue statements of material facts or omit to state material facts necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

Section 5.13. Investment Company. The City is not an “*investment company*” or a company “*controlled*” by an “*investment company*,” as such terms are defined in the Investment Company Act of 1940, as amended.

Section 5.14. Margin Stock. The City is not engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock, and no portion of the proceeds of any Drawings or Advances shall be used by the City (or the Issuing and Paying Agent or any other Person on behalf of the City) for the purpose of “purchasing” or “carrying” any margin stock or used in any manner which might cause the borrowing or the application of such proceeds to violate Regulation G, U or X of the Board of Governors of the Federal Reserve System or any other regulation of the City or to violate the Securities Exchange Act of 1934, as amended, in each case as in effect on the date or dates of any Drawings or Advances and such use of proceeds.

Section 5.15. Tax Status of Interest on Tax-Exempt Commercial Paper Notes. It is the intention of the City and the Bank that the interest on the Tax-Exempt Commercial Paper Notes be excluded from the gross income of the owners thereof for federal income tax purposes by reason of the provisions of Section 103 of the Code, or any substantially similar successor provision hereafter enacted. To that end, the City represents to the Bank that it has not taken any action, and knows of no action that any other Person has taken, which would cause interest on such Tax-Exempt Commercial Paper Notes to be includable in the gross income of the recipients thereof for federal income tax purposes.

Section 5.16. Usury. None of the Program Documents, the Commercial Paper Notes or the Obligations provide for any payments that would violate any applicable Law regarding permissible maximum rates of interest.

Section 5.17. Security. (a) The City hereby designates the Reimbursement Obligations as “Subordinate Bonds” for purposes of the Subordinate General Resolution. The Subordinate General Resolution creates a valid pledge of and lien on the Revenues and the funds and accounts created under the Subordinate General Resolution and the moneys (including, without limitation, the Revenues) on deposit therein, as security for the punctual payment of the interest and principal due with respect to the Commercial Paper Notes and all Reimbursement Obligations, subordinate only to the lien in favor of Senior Lien Bonds. All action necessary to create the pledge of and lien on the Revenues and such funds and accounts and on moneys on

deposit therein (including the Revenues) in favor of the Reimbursement Obligations as set forth in the Subordinate General Resolution, have been duly and validly taken. The City's obligation to pay the Reimbursement Obligations is pari passu with its obligation to pay the Commercial Paper Notes and all other "Subordinate Bonds" under the Subordinate General Resolution and subordinate only to Senior Lien Bonds. This Agreement constitutes a "Credit Agreement" under the Supplemental Resolution and the Issuing and Paying Agent Agreement.

(b) The Subordinate General Resolution, the Supplemental Resolution and this Agreement create a valid pledge of and lien on the Revenues and funds and accounts created under the Subordinate General Resolution and the moneys (including, without limitation, the Revenues) on deposit therein, as security for the punctual payment when due of Obligations (other than Reimbursement Obligations) and the performance and observance of all of the covenants, agreements and conditions contained in this Agreement and the other Program Documents, which pledge of and lien on the Revenues and Trust Assets with respect to the Obligations (other than Reimbursement Obligations) is subordinate only to the City's obligation to pay the Reimbursement Obligations, Subordinate Bonds and Senior Lien Bonds (and related obligations). All action necessary for such pledge of and lien on Revenues and Trust Assets have been duly and validly taken.

Section 5.18. Pending Legislation and Decisions. There is no amendment, or to the knowledge of the City, proposed amendment to the Constitution of the State or any State law or any administrative interpretation of the Constitution of the State or any State law, or any legislation that has passed either house of the legislature of the State or is under consideration by any conference or similar committee, or any judicial decision interpreting any of the foregoing, the effect of which will materially adversely affect the security for any of the Commercial Paper Notes or any Obligation, the City's ability to pay in full in a timely fashion the Revenues, or any Obligations, the creation, organization, or existence of the City or the titles to office of any officers executing this Agreement or any other City Document or the City's ability to repay when due its obligations under this Agreement, any of the Commercial Paper Notes or any Obligation.

Section 5.19. Issuing and Issuing and Paying Agent. U.S. Bank National Association is the duly appointed and acting Issuing and Paying Agent for the Commercial Paper Notes.

Section 5.20. Environmental Matters. The operations of the System are in material compliance with all of the requirements of applicable federal, state and local environmental, health and safety Laws and are not the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, where a failure to comply with any such requirement or the need for any such remedial action could reasonably be expected to result in a Material Adverse Effect. The City has not received notice to the effect that the operations of the System are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety Laws or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, in each case which non-compliance or remedial action could reasonably be expected to result in a Material Adverse Effect.

Section 5.21. No Immunity. The City is not entitled to claim the defense of sovereign immunity in any action, suit or proceeding arising under or relating to this Agreement or any other Program Document (a) for monetary damages or (b) for the execution or enforcement of any judgment (subject to applicable bankruptcy or insolvency laws or limitations on legal remedies against public agencies in the State of California), nor may there be attributed to the City any such immunity (whether or not claimed).

Section 5.22. No Public Vote or Referendum. There is no public vote or referendum pending, proposed or concluded, the results of which could reasonably be expected to result in a Material Adverse Effect.

Section 5.23. Swap Agreements. The City has not entered into any Swap Agreement relating to Debt (i) wherein any termination payment thereunder is senior to or on a parity with the payment of the Commercial Paper Notes or the other Obligations or (ii) which requires the City to post cash collateral to secure its obligations thereunder.

Section 5.24. Anti-Terrorism Laws. The City is not in violation of any Laws relating to terrorism or money laundering (“*Anti-Terrorism Laws*”), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the “*Executive Order*”), and the Patriot Act;

(a) The City is not any of the following:

(i) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(ii) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(iii) a Person with which the Bank is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(iv) a Person that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order; or

(v) a Person that is named as a “specially designated national and blocked person” on the most current list published by the Office of Foreign Asset Control (“OFAC”) or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list;

(b) The City does not (i) conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in subsection (a)(ii) above, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (iii) engage in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

Section 5.25. Use of Commercial Paper Notes Proceeds. The proceeds of the Commercial Paper Notes will be expended in the manner set forth in the Issuing and Issuing and Paying Agent Agreement and the Resolution.

Section 5.26. Disclosure. To the best knowledge of the City, neither the City Documents, the Offering Memorandum (excluding (a) any information contained therein relating to DTC and its book-entry only system, (b) any information contained therein provided by or on behalf of the Bank and (c) any information contained therein provided by the Bank or its counsel summarizing provisions of this Agreement) nor any other document, certificate or statements of the City (including the unaudited financial statements, reports, budgets, projections and cash flows of the City with respect to the System furnished to the Bank by or on behalf of the City in connection with the transactions contemplated hereby or thereby) contains any untrue statement of any material fact.

Section 5.27. Sanctions Concerns. The City is not currently the subject of any Sanction.

ARTICLE VI.

COVENANTS

The City will do the following so long as any amounts may be drawn under the Letter of Credit and/or any Obligations remain outstanding under this Agreement and/or the Fee Letter, unless the Bank shall otherwise consent in writing:

Section 6.01. Existence, Etc. The City (a) shall preserve and maintain its existence, rights and franchises as a municipal corporation duly organized and existing under the Constitution and laws of the State of California and (b) shall not liquidate or dissolve, or sell or lease or otherwise transfer or dispose of all or any substantial part of the property, assets or business related to the System, or combine, merge or consolidate with or into any other entity or Person or change the use of facilities or assets that generate Revenues.

Section 6.02. Maintenance of Properties. The City shall, in all material respects, maintain, preserve and keep the Property of the System in good repair, working order and condition (ordinary wear and tear excepted) so as not to result in a Material Adverse Effect.

Section 6.03. Compliance with Laws; Taxes and Assessments. The City shall comply with all Laws applicable to it and the Property of the System so as not to result in a Material Adverse Effect, such compliance to include, without limitation, paying all taxes, assessments and governmental charges imposed upon the Property of the System before the same become delinquent, unless and to the extent that the same are being contested in good faith and by appropriate proceedings and reserves are provided therefor that in the opinion of the City are adequate.

Section 6.04. Insurance. Without limiting the obligations of the City under Section 6.08 hereof, the City shall maintain commercial insurance (with financially sound carriers) (including liability insurance) or provide self-insurance in lieu of commercial insurance (including liability insurance) against loss or damage to the System in such amounts (with reasonable deductibles for commercial insurance) and covering such risks to the same extent as is customary for

comparable sewer systems in large metropolitan areas. The City shall upon request of the Bank furnish a certificate setting forth in summary form the nature and extent of the insurance and self-insurance maintained pursuant to this Section 6.04.

Section 6.05. Reports. The City shall furnish to the Bank in form and detail satisfactory to the Bank:

(a) Annual Report. As soon as available and in any event within 270 calendar days after the end of each Fiscal Year of the City, a copy of the annual audited financial statements of the System for such year, including a balance sheet of the System as of the end of such Fiscal Year and the related statements of revenues, expenses and changes in fund balances and statement of cash flows, all in reasonable detail and reported on by a firm of nationally recognized independent certified public accountants, and the report of such firm of independent certified public accountants shall state, without qualification, that such financial statements present fairly the financial position of the System as of the end of such Fiscal Year, the results of operations, the changes in fund balances and cash flows of the System for such Fiscal Year then ended in conformity with GAAP together with (1) the opinion of the City's independent accountants and (2) a No Default Certificate signed by an Authorized City Representative stating that no Event of Default or Default has occurred, or if such Event of Default or Default has occurred, specifying the nature of such Event of Default or Default, the period of its existence, the nature and status thereof and any remedial steps taken or proposed to correct such Event of Default or Default.

(b) [Reserved]

(c) Budget. If at any time any Rating falls below "Aa3" (or its equivalent) by Moody's or "AA " (or its equivalent) by S&P or Fitch, then as soon as available, and in any event within one hundred twenty (120) calendar days following the approval thereof, a copy of each annual budget of the System.

(d) [Reserved]

(e) Notices of Resignation of the Issuing and Paying Agent or Dealer. Written notice to the Bank of any resignation of the Issuing and Paying Agent or Dealer immediately upon receiving notice of the same.

(f) Offering Memorandum. Within ten (10) calendar days after the issuance of any issue of Subordinate Bonds or any other securities payable or secured by Revenues by the City with respect to which a final official statement or other offering or disclosure document has been prepared by the City, a copy of such official statement or offering circular; *provided, however*, that the City shall be deemed to have satisfied the requirements of this provision as and to the extent the City has posted the same on EMMA or the City's website within the applicable time frame described above.

(g) Notice of Default or Event of Default. (i) Promptly upon obtaining knowledge of any Default or Event of Default, or notice thereof, and in any event within ten (10) Business Days thereafter, a certificate signed by an Authorized City Representative specifying in reasonable detail the nature and period of existence thereof and what action the City has taken or

proposes to take with respect thereto; (ii) promptly following a written request of the Bank, a certificate of an Authorized City Representative as to the existence or absence, as the case may be, of a Default or an Event of Default under this Agreement; and (iii) promptly upon obtaining knowledge of any “default” or “event of default” as defined under any Bank Agreement, notice specifying in reasonable detail the nature and period of existence thereof and what action the City has taken or proposes to take with respect thereto.

(h) Litigation. As soon as practicable and in any event within sixty (60) calendar days after the City obtains actual knowledge of: (i) any litigation, arbitration or governmental proceeding pending against the City in respect of the System which if determined adversely to the City could reasonably be expected to result in uninsured damages chargeable to the System in excess of \$25,000,000; (ii) any litigation, arbitration or governmental proceeding pending against the City or the System that challenges the City’s ability to perform its obligations under this Agreement and/or the Program Documents; (iii) a change or amendment to the Charter or the City Administrative Code, which change or amendment is materially adverse to the City’s ability to perform its obligations under this Agreement and/or the Program Documents; (iv) any other event or condition that could reasonably be expected to result in a Material Adverse Effect; and/or (v) the destruction of or any material damage to the System that is not fully covered by casualty insurance, in each case a statement of the Authorized City Representative of the City setting forth details describing the same and the steps being taken with respect thereto;

(i) Ratings Change. As soon as practicable, notice of any change in, or the suspension, withdrawal or unavailability of, any rating on Debt payable or secured by Revenues; *provided, however*, that the City shall be deemed to have satisfied the requirements of this provision as and to the extent the City has posted the same on EMMA or the City’s website within the applicable time frame described above; and

(j) Other Information. Such other information (including, without limitation, management letters) regarding the business affairs, financial condition and/or operations of the City and the System as the Bank may from time to time reasonably request.

Section 6.06. Maintenance of Books and Records. The City will keep proper books of record and account with respect to the System and Revenues, in which full, true and correct entries in accordance with GAAP. All financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the financial statements, except as otherwise specifically prescribed herein. Except as provided in the immediately preceding sentence, in preparing any financial data or statements contemplated or referred to in this Agreement, the System shall not vary or modify the accounting methods or principles from the accounting standards employed in the preparation of its audited financial statements described in Section 5.06 hereof.

Section 6.07. Access to Books and Records. To the extent permitted by Law, the City will permit any Person designated by the Bank in writing (at the expense of the Bank, unless and until a Default or Event of Default has occurred, at which time such expenses shall be borne by the City) to visit any of the offices of the City, and any of its properties, including the properties

comprising the System, to examine the books and financial records of the City (except books and financial records the examination of which by the Bank is prohibited by Law or by attorney or client privilege), including minutes of meetings of any relevant governmental committees or agencies, including such books and records relating to the System, and to make copies thereof or extracts therefrom, and to discuss the affairs, finances and accounts of the City with their principal officers, employees and independent public accountants, all at such reasonable times and as often as the Bank may reasonably request.

Section 6.08. Compliance With Documents. The City agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in the Resolution and each of the other City Documents, which provisions, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety all of which shall be deemed to be made for the benefit of the Bank and shall be enforceable against the City (such enumerated covenants, agreements and defined terms, the “*Underlying Provisions*”; the Underlying Provisions as so incorporated, the “*Incorporated Provisions*”). To the extent that any such Underlying Provision permits the City or any other party to waive compliance with such Underlying Provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to the City or any other party, for purposes of this Agreement, the corresponding Incorporated Provision shall be complied with unless it is specifically waived by the Bank in writing and such document, opinion or other instrument and such event or condition shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Bank which shall only be evidenced by the written approval by the Bank of the same. Except as permitted by Section 6.14 hereof, no termination or amendment to any Underlying Provision, shall be effective to terminate or amend any Incorporated Provision or release the City with respect thereto in each case without the prior written consent of the Bank. Notwithstanding any termination or expiration of any Underlying Provision, the City shall continue to observe the covenants therein contained for the benefit of the Bank until the termination of this Agreement and the payment in full of the Obligations. All such Incorporated Provisions shall be in addition to the express covenants contained herein and shall not be limited by the express covenants contained herein nor shall such incorporated covenants be a limitation on the express covenants contained herein.

Section 6.09. Rate Covenant. (a) The City covenants and agrees that it shall take any and all action necessary such that Revenues in each Fiscal Year shall equal an amount at least sufficient to satisfy the respective provisions of Section 6.03 of the Subordinate General Resolution.

(b) So long as (i) the Stated Amount has not been reduced to zero or terminated pursuant to the terms of this Agreement or (ii) the Letter of Credit or any Obligations remain outstanding, the City shall continue to comply with the covenants and undertakings set forth in the Resolution, including, without limitation, Section 6.03 thereof, notwithstanding anything in the Resolution limiting such compliance to when a “Subordinate Bond” (as defined in the Resolution) remains outstanding thereunder.

Section 6.10. No Impairment. The City will neither take any action, nor cause the Issuing and Paying Agent to take any action, under the Resolution or any other Program

Document which would materially adversely affect the rights, interests, remedies or security of the Bank under this Agreement or any other Program Document or which could reasonably be expected to result in a Material Adverse Effect.

Section 6.11. Application of Commercial Paper Notes Proceeds. (a) The City will not take or omit to take any action, which action or omission will in any way result in the proceeds of the Drawings or the Advances being applied for any purpose other than to pay principal of and interest on Commercial Paper Notes on their respective maturity dates.

(b) The City agrees not to authorize, instruct or permit the Issuing and Paying Agent to authenticate and deliver Commercial Paper Notes at any time when any Advance is outstanding unless the proceeds of the sale of such Commercial Paper Notes are to be applied on the sale date to repay either (i) such Advance (together with all accrued and unpaid interest thereon), or (ii) principal of and accrued interest on concurrently maturing Commercial Paper Notes.

Section 6.12. Issuing and Paying Agent and Dealers. The City will not, without the prior written consent of the Bank, which consent shall not be unreasonably withheld, (a) remove, or seek to remove, the Issuing and Paying Agent; or (b) appoint or consent to the appointment of any successor Issuing and Paying Agent or Dealer thereto. The City shall at all times maintain an Issuing and Paying Agent pursuant to the terms of the Resolution and the Issuing and Paying Agent Agreement that is acceptable to the Bank. The City will at all times maintain a Dealer under the Resolution, the Issuing and Paying Agent Agreement and the Dealer Agreement that is acceptable to the Bank (and the Bank shall act reasonably in approving the same). The City agrees to (x) issue Commercial Paper Notes and (y) cause the applicable Dealers (subject to the terms of the applicable Dealer Agreements) to use their best efforts to sell Commercial Paper Notes, in each case, up to the Maximum CP Rate applicable to the Commercial Paper Notes in order to repay maturing Commercial Paper Notes. If any Advance remains outstanding for a period of thirty (30) consecutive calendar days or any Dealer fails to sell Commercial Paper Notes, the proceeds of which are intended to be used to pay any Advance, after being directed to do so by the City (subject to the provisions of the applicable Dealer Agreement) at the written direction of the Bank the City shall cause such Dealer to be replaced with a Dealer satisfactory to the Bank within sixty (60) calendar days of the receipt of such written direction; provided that so long as the remaining Dealers for the Commercial Paper Notes are satisfactory to the Bank, it shall be sufficient for the City only to remove the Dealer that has been unable to sell rollover Commercial Paper Notes or fails to perform its duties. Each Dealer Agreement shall provide that the related Dealer may resign upon at least sixty (60) days' prior written notice to the City, the Issuing and Paying Agent and the Bank. Each Dealer Agreement shall provide that the related Dealer may resign upon at least sixty (60) days' prior written notice to the City, the Issuing and Paying Agent and the Bank. Any Issuing and Paying Agent must have minimum capital of \$100,000,000.

Section 6.13. Reserved.

Section 6.14. Program Documents. The City will not amend or modify, or permit to be amended or modified in any manner whatsoever any Program Document in a manner which would materially adversely affect the City's ability to repay Debt that is secured by Revenues or

which adversely affects the security for the Commercial Paper Notes or the other Obligations or the City's ability to repay when due the Commercial Paper Notes or the other Obligations or the interests, security, rights or remedies of the Bank without the prior written consent of the Bank or could reasonably be expected to result in a Material Adverse Effect. The City will not amend and restate or replace in full the Subordinate General Resolution without the prior written consent of the Bank.

Section 6.15. Liens. (a) The City shall not, directly or indirectly, incur, create or permit to exist any Lien on all or any part of the security provided by the Resolution that is senior to or on a parity with the Lien securing the Commercial Paper Notes and the Reimbursement Obligations, other than (i) Liens created under and in accordance with the terms of the Resolution; (ii) the Liens created for the benefit of the Commercial Paper Notes, the Subordinate Bonds and Senior Lien Bonds that has heretofore or may hereafter be issued; and (iii) Liens which could not reasonably be expected to materially adversely affect the interests, rights, remedies or security of the Bank under this Agreement and the other Program Documents.

(b) The City shall not, directly or indirectly, incur, create or permit to exist any Lien on all or any part of the security provided by the Resolution that is senior to or on a parity with the Lien securing the Obligations (other than Reimbursement Obligations), other than (i) Liens created under and in accordance with the terms of the Resolution; (ii) the Liens created for the benefit of the Reimbursement Obligations, other Subordinate Bonds and Senior Lien Bonds (and obligations relating thereto) that has heretofore or may hereafter be issued; and (iii) Liens which could not reasonably be expected to materially adversely affect the interests, rights, remedies or security of the Bank under this Agreement and the other Program Documents.

Section 6.16. [Reserved]

Section 6.17. Disclosure to Participants. The Bank agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its affiliates and to its Related Parties (as defined below, with it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners); (c) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process; (d) to any other party hereto; (e) in connection with the exercise of any remedies hereunder or under any other Program Document or any action or proceeding relating to this Agreement or any other Program Document or the enforcement of rights hereunder or thereunder; (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the City and its obligations, this Agreement or payments hereunder; (g) on a confidential basis to (i) any Rating Agency in connection with rating the City, the Commercial Paper Notes or the Bank Note or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Commercial Paper Notes or the Bank Note; (h) with the consent of

the City; or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to the Bank or any of their respective affiliates on a nonconfidential basis from a source other than the City.

For purposes of this Section:

“*Information*” means all information received from the City relating to the City or the System or any of their respective businesses, other than any such information that is available to the Bank on a nonconfidential basis prior to disclosure by the City; provided that, in the case of information received from the City after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

“*Related Parties*” means, with respect to any Person, such Person's affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's affiliates.

Section 6.18. [Reserved]

Section 6.19. Immunity from Jurisdiction. The City agrees to be sued on its contractual obligations, including this Agreement, the Obligations, and the other Program Documents, and all contractual claims with respect hereto, and to the fullest extent permitted by applicable Law hereby covenants that should such right arise in the future, it will not assert or exercise any right of immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) the jurisdiction of any state or federal court located inside the State, (iii) relief by way of injunction, order for specific performance or for recovery of property consisting of monetary assets, cash or cash equivalent-type assets (whether before or after judgment, in aid of execution, or otherwise), and (iv) execution or enforcement of any judgment to which it or its revenues or monetary assets, cash or cash equivalent-type assets might otherwise be entitled in any suit, action or proceedings relating to this Agreement, the Obligations, or any other Program Document in any state or federal court located inside the State and no such immunity (whether or not claimed) may be attributed to the City or the Revenues (nor shall such attribution be claimed by the City). The foregoing covenant shall not apply to any claim being made on or relief or execution being granted against any revenues or assets of the City (other than the Revenues and amounts owed to the Bank or under this Agreement or the other Program Documents) or to any tort claims.

Section 6.20. Swap Agreements. Without the prior written consent of the Bank, the City will not enter into any Swap Agreement relating to Debt secured by Revenues (i) wherein any termination payments thereunder are senior to the payment of the Commercial Paper Notes or the other Obligations or (ii) which requires the City to post cash collateral to secure its obligations thereunder.

Section 6.21. Budget and Appropriation. To the fullest extent permitted and/or required by State law, the City shall cause the appropriate City official(s) to take any and all ministerial

actions that may be necessary to facilitate the payment of the principal of and interest on the Commercial Paper Notes and the payment of all other Obligations and to include the principal and interest on the Commercial Paper Notes and the payment of all other Obligations in the annual budget of the City (including any necessary appropriations related thereto).

Section 6.22. Use of Bank's Name. The City shall not include in an offering document for the Commercial Paper Notes any information concerning the Bank (other than identifying the Bank as a party to this Agreement and the issuer of the Letter of Credit) that is not supplied in writing, or otherwise consented to in writing, by the Bank expressly for inclusion therein. Except as may be required by Law (including federal and state securities laws), the City shall not include any information concerning the Bank (other than identifying the Bank as a party to its contracts with the City) that is not supplied in writing, or otherwise consented to, by the Bank expressly for inclusion therein, in any offering documents with respect to the Senior Lien Bonds and the Subordinate Bonds without the prior written consent of the Bank, which consent shall not be unreasonably withheld or delayed; *provided* that, without the prior written consent of the Bank, the City may identify the Bank as a party to this Agreement and as the issuer of the Letter of Credit, the stated amount of the Letter of Credit, the expiration date of the Letter of Credit and that the City's obligations under this Agreement are secured by Revenues, in offering documents with respect to the Senior Lien Bonds and the Subordinate Bonds, so long as no other information relating to the Agreement, the Fee Letter or the Bank is disclosed in such offering documents without the prior written consent of the Bank.

Section 6.23. Maintenance of Tax Exempt Status of Commercial Paper Notes. The City will not take, nor permit to be taken, any action or omit to take, or permit to be omitted, any action which, if taken or omitted, would adversely affect the exclusion of interest on any Tax Exempt Commercial Paper Notes from gross income for purposes of federal income taxation or the exemption of such interest from State of California personal income taxes.

Section 6.24. Investment Policy. All investments of the System, including, without limitation, investments of the Revenues have been and will be made in accordance with the terms of the Investment Policy.

Section 6.25. Environmental Laws. The City shall comply with all applicable Environmental Laws and cure any defect (or cause other Persons to cure any such defect) to the extent necessary to bring such real property owned, leased, occupied or operated by the City and affecting the System back into compliance with Environmental Laws and to comply with any cleanup orders issued by a Governmental Authority having jurisdiction thereover so as not to cause a Material Adverse Effect. The City shall at all times use and maintain the System safe and fit for its intended uses. The City shall also immediately notify the Bank of any actual or alleged material failure to so comply with or perform, or any material breach, violation or default under any Environmental Law.

Section 6.26. Federal Reserve Board Regulations. The City shall not use any portion of the proceeds of any Advance or Drawing or the proceeds of the Commercial Paper Notes for the purpose of carrying or purchasing any Margin Stock and shall not incur any Debt which is to be reduced, retired or purchased by the City out of such proceeds.

Section 6.27. Ratings. The City covenants and agrees that it shall at all times maintain (i) at least two unenhanced long-term ratings on Parity Debt from any of Fitch, Moody's or S&P, (ii) at least one short-term rating on the Commercial Paper Notes by any Rating Agency and (iii) at least one long-term rating of at least "Baa2" (or its equivalent) or better by Moody's or "BBB" (or its equivalent) or better by S&P or Fitch. The City covenants and agrees that it shall not at any time withdraw any long-term unenhanced rating on its Parity Debt from any of Fitch, Moody's or S&P if the effect of such withdrawal would be to cure a Default or an Event of Default under this Agreement or reduce the Letter of Credit Fee Rate applicable under the Fee Letter.

Section 6.28. Further Assurances. The City agrees to do such further acts and things and to execute and deliver to the Bank such additional assignments, agreements, powers and instruments as the Bank may reasonably require or reasonably deem advisable to carry into effect the purposes of this Agreement or to better assure and confirm to the Bank its rights, powers and remedies hereunder and under the Program Documents.

Section 6.29. Plans. The City will (i) remain at all times in compliance with any applicable Law (including any legally available grace periods) with respect to any Plan, and (ii) maintain each Plan as to which it may have any liability in compliance in all material respects with the provisions of applicable Law, the failure to comply with which could subject the City to any tax or penalty which tax or penalty, taken together, with all other taxes and penalties which could be assessed against the City by reason of all other non-compliances, would have a Material Adverse Effect.

Section 6.30. Ranking of Obligations. The City shall not take any action that would result in the Reimbursement Obligations not ranking at least *pari passu* in right of payment and security from Revenues and Trust Assets with the Commercial Paper Notes and other Subordinate Bonds and ranking subordinate to any Debt or obligation other than the Senior Lien Bonds. The City shall not take any action that would result in the Obligations (other than Reimbursement Obligations) ranking subordinate in priority in right of payment and security from Revenues and Trust Assets to any Debt or obligation of the City other than the Commercial Paper Notes, Reimbursement Obligations, Subordinate Bonds and Senior Lien Bonds.

Section 6.31. Limitation on Additional Debt. Notwithstanding anything in any Program Document to the contrary, the City will not issue and/or incur any additional Debt which is to be secured by Revenues while any Advance is outstanding or any other Obligation remains unpaid, other than any such Debt for the purpose of providing funds for refunding Senior Lien Bonds or Subordinate Bonds in accordance with and pursuant to Section 3.10 of the Senior Lien Resolution and Section 3.10 of the Subordinate General Resolution, respectively, unless all outstanding Advances and other unpaid Obligations are to be paid in full from the proceeds of such additional Debt or the City receives the prior written consent of the Bank.

Section 6.32. Book-Entry Eligibility. The City covenants that at all times from and including the Amendment Effective Date until and including the Letter of Credit Expiration Date, the City shall cause the Commercial Paper Notes to be eligible for, and to be registered with, DTC's book entry delivery services and that such registration with DTC shall not be discontinued without the Bank's prior written consent.

Section 6.33. Substitute Credit Facility or Refinancing.

(a) The City agrees to use its best efforts to obtain a substitute Credit Facility to replace the Letter of Credit or otherwise refinance or defease the Commercial Paper Notes in the event (i) the Bank decides not to extend the Letter of Credit Expiration Date or if the City fails to request such an extension (such replacement, refinancing, redemption or defeasance to occur on or before the Letter of Credit Expiration Date), (ii) the Letter of Credit is terminated or (iii) the City terminates this Agreement in accordance with the terms hereof.

(b) The City agrees that any substitute Credit Facility will require, as a condition to the effectiveness of the substitute Credit Facility, that the provider of substitute Credit Facility provide funds to the extent necessary, on the date the substitute Credit Facility becomes effective, for payment of all Reimbursement Obligations at par plus interest (at the applicable rate pursuant to the terms hereof) through the date repaid. On the effective date of such substitute Credit Facility or refinancing, redemption or defeasance, as the case may be, the City shall pay in full all other amounts due under this Agreement, the Fee Letter and the Bank Note (including, without limitation, all Excess Interest and unpaid interest thereon) and the City shall provide for the surrender (and cancellation) of the Letter of Credit to the Bank.

(c) The City shall not permit a substitute Credit Facility to become effective with respect to less than all of the Commercial Paper Notes without the prior written consent of the Bank.

ARTICLE VII.

DEFAULTS AND REMEDIES

Section 7.01. Events of Default. The occurrence and continuation of one or more of the following events shall constitute an event of default hereunder (“Event of Default”):

(a) the City fails to pay, or cause to be paid, when due any principal of or interest on any Drawing or any Advance;

(b) the City fails to pay, or cause to be paid, when due any Letter of Credit Fee within thirty (30) calendar days of the date such Letter of Credit Fee is due or the City fails to pay, or cause to be paid, when due any other Obligation within thirty (30) calendar days after written notice thereof;

(c) any representation or warranty made by or on behalf of the City in this Agreement or in any other Program Document or in any certificate or statement delivered hereunder or thereunder shall be incorrect or untrue in any material respect when made or deemed to have been made or delivered;

(d) the City shall default in the due performance or observance by it of any Incorporated Provision and/or default in the due performance or observance of any of the covenants set forth in Sections 6.01, 6.09, 6.10, 6.11, 6.12, 6.14, 6.15, 6.19, 6.20, 6.22, 6.23, 6.26, 6.27, 6.30, 6.31, 6.33(b) and/or 6.33(c) hereof;

(e) the City shall (i) default in the due performance or observance of any other term, covenant or agreement contained in Section 6.05(g) hereof and such default shall remain unremedied for a period of ten (10) Business Days after the occurrence thereof and/or (ii) default in the due performance or observance of any other term, covenant or agreement contained in this Agreement or any other Program Document and such default shall remain unremedied for a period of thirty (30) calendar days after the occurrence thereof;

(f) the City shall (i) have entered involuntarily against it an order for relief under the United States Bankruptcy Code, as amended, (ii) become insolvent or shall not pay, or be unable to pay, or admit in writing its inability to pay, its debts generally as they become due, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its Property (including, without limitation, the System), (v) institute any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code, as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, marshalling of assets, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (vi) take any corporate action in furtherance of any matter described in parts (i) through (v) above, or (vii) fail to contest in good faith any appointment or proceeding described in Section 7.01(g) of this Agreement;

(g) a custodian, receiver, trustee, examiner, liquidator or similar official shall be appointed for the City or any substantial part of its Property (including, without limitation, the System), or a proceeding described in Section 7.01(f)(v) shall be instituted against the City and such proceeding shall continue undischarged or any such proceeding continues undismissed or unstayed for a period of thirty (30) or more calendar days;

(h) a debt moratorium, debt restructuring (other than a refinancing or refunding in the ordinary course of the City's business), debt adjustment or comparable restriction is imposed on the repayment when due and payable of the principal of or interest on any Debt of the City by the City or any Governmental Authority with appropriate jurisdiction;

(i) (i) any provision of this Agreement or any Program Document related to (A) payment of principal of or interest on the Commercial Paper Notes, the Bank Note or other Obligations or any Parity Debt or Senior Debt or (B) the validity or enforceability of the pledge of the Revenues, Trust Assets or any other pledge or lien created by the Resolution shall at any time for any reason cease to be valid and binding on the City as a result of a finding or ruling by a court or Governmental Authority with competent jurisdiction, or shall be declared, in a final nonappealable judgment by any court of competent jurisdiction, to be null and void, invalid or unenforceable;

(ii) the validity or enforceability of any material provision of this Agreement or any Program Document related to (A) payment of principal of or interest on the Commercial Paper Notes, the Bank Note or other Obligations or any Parity Debt or Senior Debt, or (B) the validity or enforceability of the pledge of the Revenues, Trust

Assets or any other pledge or lien created by the Resolution shall be publicly contested by the City; or

(iii) any other material provision of this Agreement or any other Program Document, other than a provision described in clause (i) above, shall at any time for any reason cease to be valid and binding on the City as a result of a ruling or finding by a court or a Governmental Authority with competent jurisdiction or shall be declared in a final non appealable judgment by any court with competent jurisdiction to be null and void, invalid, or unenforceable, or the validity or enforceability thereof shall be publicly contested by the City;

(j) dissolution or termination of the existence of the City or the System;

(k) the City shall (i) default on the payment of the principal of or interest on any Parity Debt or Senior Debt including, without limitation, any regularly scheduled payments on Swap Agreements which constitute Parity Debt or Senior Debt, beyond the period of grace, if any, provided in the instrument or agreement under which such Parity Debt or Senior Debt was created or incurred; or (ii) default in the observance or performance of any agreement or condition relating to any Parity Debt or Senior Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist, the effect of which default, event of default or similar event or condition is to cause (determined without regard to whether any notice is required) any such Parity Debt or Senior Debt to become immediately due and payable in full or enables the holder thereof to accelerate such Parity Debt or Senior Debt (in each such case whether by acceleration, mandatory redemption or mandatory tender of such Parity Debt or Senior Debt);

(l) the City shall (i) default on the payment of the principal of or interest on any Debt secured by or payable from Revenues (other than Parity Debt or Senior Debt) including, without limitation, any regularly scheduled payments on Swap Agreements, aggregating in excess of \$10,000,000, beyond the period of grace, if any, provided in the instrument or agreement under which such Debt was created or incurred; or (ii) default in the observance or performance of any agreement or condition relating to any Debt secured by or payable from Revenues (other than Parity Debt or Senior Debt) aggregating in excess of \$10,000,000, or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist, the effect of which default, event of default or similar event or condition is to cause (determined without regard to whether any notice is required) any such Debt to become immediately due and payable in full or enables the holder thereof to accelerate such Debt (in each such case whether by acceleration, mandatory redemption or mandatory tender of such Debt);

(m) any final non-appealable judgment or judgments, writ or writs or warrant or warrants of attachment, or any similar process or processes, which are not covered in full by insurance, with written acknowledgement of such coverage having been provided by the provider of such insurance coverage to the Bank, in an aggregate amount not less than \$25,000,000 payable from Revenues shall be entered or filed against the City or against any of its Property (including, without limitation, the System) and remain unsatisfied, unvacated, unbonded or unstayed for a period of ninety (90) calendar days;

(n) any Event of Default under any Program Document (other than this Agreement) shall have occurred;

(o) any of Fitch, Moody's or S&P shall have downgraded its rating of any long term unenhanced Parity Debt or Senior Debt of the City to below "Baa2" (or its equivalent) by Moody's or "BBB" (or its equivalent) by S&P or Fitch, or suspended or withdrawn or made unavailable any such rating for credit-related reasons;

(p) any of the funds or accounts established pursuant to the Subordinate General Resolution or any funds or accounts on deposit, or otherwise to the credit of, such funds or accounts shall become subject to any stay, writ, judgment, warrant of attachment, execution or similar process by any of the creditors of the City and such stay, writ, judgment, warrant of attachment, execution or similar process shall not be released, vacated or stayed within thirty (30) calendar days after its issue or levy;

(q) any event or condition which materially and adversely affects the financial condition of the System and the City's ability to observe and perform its obligations under this Agreement and the other Program Documents shall have occurred and be continuing, and the City fails to diligently and continuously pursue, and in any case fails to complete, the cure of such event or condition within six (6) months following the occurrence thereof; or

(r) the Lien created by the Resolution or Section 2.16 hereof shall at any time and for any reason not constitute a valid and perfected Lien on the Trust Assets with the priority purported to be created thereby or hereby, or the City shall so assert in writing.

Section 7.02. Rights and Remedies Upon Default. Upon the occurrence of an Event of Default hereunder the Bank, in its sole discretion, may do any, none or all of the following:

(a) by notice to the City, declare all Obligations to be, and such amounts shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the City; *provided* that upon the occurrence of an Event of Default described under Sections 7.01(f), (g) and (h) hereof such acceleration shall automatically occur (unless such automatic acceleration is waived by the Bank in writing);

(b) by notice of the occurrence of any Event of Default to the Issuing and Paying Agent (which notice shall constitute a "Tier One Stop Issuance Instruction" for purposes of the Supplemental Resolutions and the Issuing and Paying Agent Agreement) prohibit, until such time, if any, as the Bank shall withdraw (in writing) such notice, the issuance of additional Commercial Paper Notes, reduce the Stated Amount of the Letter of Credit to the principal amount of the then Outstanding Commercial Paper Notes supported by the Letter of Credit and interest payable thereon at maturity of such Commercial Paper Notes (pursuant to an Event of Default under the Reimbursement Agreement and Permanent Reduction Notice in the form of Annex G to the Letter of Credit) and/or terminate and/or permanently reduce such Stated Amount as the then Outstanding Commercial Paper Notes are paid;

(c) issue the Tier One Final Drawing Notice (the effect of which shall be to cause the Termination Date of the Letter of Credit to occur on the 15th day after the date of receipt thereof by the Issuing and Paying Agent);

- (d) pursue any rights and remedies it may have under the Program Documents; or
- (e) pursue any other action available at law or in equity.

Section 7.03. Remedies Cumulative; Solely for the Benefit of the Bank. To the extent permitted by, and subject to the mandatory requirements of, applicable Law, each and every right, power and remedy herein specifically given to the Bank in the Program Documents shall be cumulative, concurrent and nonexclusive and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy (whether specifically herein given or otherwise existing) may be exercised from time to time and as often and in such order as may be deemed expedient by the Bank, and the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy.

The rights and remedies of the Bank specified herein are for the sole and exclusive benefit, use and protection of the Bank, and the Bank is entitled, but shall have no duty or obligation to the City, the Issuing and Paying Agent or any other Person or otherwise, to exercise or to refrain from exercising any right or remedy reserved to the Bank hereunder or under any of the other Program Documents.

Section 7.04. Waivers or Omissions. No delay or omission by the Bank in the exercise of any right, remedy or power or in the pursuit of any remedy shall impair any such right remedy or power or be construed to be a waiver of any default on the part of the Bank or to be acquiescence therein. No express or implied waiver by the Bank of any Event of Default shall in any way be a waiver of any future or subsequent Event of Default.

Section 7.05. Discontinuance of Proceedings. In case the Bank shall proceed to invoke any right, remedy or recourse permitted hereunder or under the Program Documents and shall thereafter elect to discontinue or abandon the same for any reason, the Bank shall have the unqualified right so to do and, in such event, the City and the Bank shall be restored to their former positions with respect to the Obligations, the Program Documents and otherwise, and the rights, remedies, recourse and powers of the Bank hereunder shall continue as if the same had never been invoked.

ARTICLE VIII.

CITY PROVISIONS

Section 8.01. Nondiscrimination.

(a) Non-Discrimination In Employment. To the extent the Bank is subject to and required by the hereinafter defined LA Admin Code, during the term of this Agreement, the Bank agrees and obligates itself in the performance of this Agreement not to discriminate in its employment practices against any employee or applicant for employment because of the employee's or applicant's race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition. The Bank shall take affirmative action to ensure that applicants for employment are treated, during the term of this

Agreement, without regard to the aforementioned factors. The Bank shall comply with the non-discrimination requirements of the Los Angeles Administrative Code (the “*LA Admin Code*”), Sections 10.8.2.

(b) Equal Employment Practices. To the extent required by the hereinafter defined Equal Employment Practices, if the total payments made under this Agreement are One Thousand Dollars (\$1,000) or more, this provision shall apply. To the extent the Bank is subject to and required by the Equal Employment Practices, during the performance of this Agreement, the Bank agrees to comply with Section 10.8.3 of the LA Admin Code (“*Equal Employment Practices*”), which is incorporated herein by this reference to the extent required by the Equal Employment Practices. A copy of Section 10.8.3 of the LA Admin Code in effect on the Amendment Effective Date has been attached to this Agreement for the convenience of the parties as *Exhibit D* hereto. By way of specification but not limitation, pursuant to Sections 10.8.3.E and 10.8.3.F of the LA Admin Code, the failure of the Bank to comply with the Equal Employment Practices provisions of this Agreement could be deemed to be a material breach of this Agreement. No such finding shall be made or penalties assessed except pursuant to the Equal Employment Practices and upon a full and fair hearing after notice and an opportunity to be heard have been given to the Bank. Upon a finding duly made that the Bank has failed to comply with the Equal Employment Practices provisions of this Agreement, this Agreement could be forthwith terminated, cancelled, or suspended to the extent required by the Equal Employment Practices. Any such termination of this Agreement pursuant to the Equal Employment Practices shall be subject to the termination provisions set forth in Section 2.07 of this Agreement.

Section 8.02. Child Support Orders. To the extent required by the hereinafter defined Child Support Provisions, this Agreement is subject to Section 10.10, Article I, Chapter 1, Division 10 of the LA Admin Code related to Child Support Assignment Orders (“*Child Support Provisions*”), which is incorporated herein by this reference to the extent required by the Child Support Provisions. A copy of the Child Support Provisions in effect on the Amendment Effective Date has been attached to this Agreement for the convenience of the parties as *Exhibit E* hereto. To the extent the Bank is subject to and required by the Child Support Provisions, pursuant to this section, the Bank (and any subcontractor of the Bank providing services to the City under this Agreement) shall (1) fully comply with all State and Federal employment reporting requirements for the Bank’s or the Bank’s subcontractor’s employees applicable to Child Support Assignment Orders; (2) certify that the principal owner(s) of the Bank and applicable subcontractors are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code Section 5230, et seq.; and (4) maintain such compliance throughout the term of this Agreement. To the extent the Bank is subject to and required by Section 10.10(b) of the LA Admin Code, failure of the Bank or an applicable subcontractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of the Bank or applicable subcontractors to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally, shall (only to the extent required by the Child Support Provisions) constitute a default of this Agreement subjecting (only to the extent required by the Child Support Provisions) this Agreement to termination where such

failure shall continue for more than ninety (90) days after notice of such failure to the Bank or such applicable subcontractor by the City (in lieu of any time for cure provided elsewhere in this Agreement). Any such termination of this Agreement pursuant to the Child Support Provisions shall be subject to the termination provisions set forth in Section 2.07 of this Agreement.

Section 8.03. Compliance with Los Angeles City Charter Section 470(c)(12). The Bank, the Participants, the Subcontractors and their Principals are obligated to fully comply with Charter Section 470(c)(12), Ordinance No. 181972 and other applicable ordinances related to Charter Section 470(c)(12) regarding limitations on campaign contributions and fundraising for certain elected City officials, the City Attorney and the Controller of the City, candidates for these offices, and the City committees they control (collectively, the “*Measure H Ordinance*”) for such period as is required by the Measure H Ordinance, to the extent such provisions are applicable to this Agreement. Additionally, the Bank is required, for as long as required by the Measure H Ordinance, to provide and update certain information required by the Measure H Ordinance to the City within the timeframe required by the Measure H Ordinance; in turn, the City will electronically submit the information to the City Ethics Commission as required by the Measure H Ordinance. The Bank shall include the following notice (each a “*Participant/Subcontractor Notice*”) in any contract with a Participant or a Subcontractor expected to receive at least \$100,000 (each a “*Measure H Subcontract*”) in connection with its participation in this Agreement:

Notice Regarding Restrictions on Campaign Contribution and Fundraising in City Elections.

You are considered a subcontractor in connection with the Amended and Restated Reimbursement Agreement dated as of October 15, 2021 (the “*Reimbursement Agreement*”), by and between the City of Los Angeles (the “*City*”) and The Toronto-Dominion Bank, New York Branch, as the Bank. Pursuant to the Los Angeles City Charter Section 470(c)(12) and related ordinances, you and your principals are prohibited from making campaign contributions to and fundraising for certain elected City of Los Angeles (“*City*”) officials and candidates for elected City office for twelve months after the Reimbursement Agreement is signed. You are required to provide the names and contact information of your principals to the Bank and to amend that information within ten business days if it changes during the course of the twelve month time period. Failure to comply may result in termination of the Reimbursement Agreement or any other available legal remedies. Information about the restrictions may be found online at <https://ethics.lacity.org> or by calling the Los Angeles City Ethics Commission at (213) 978-1960.

The Bank, the Participants, the Subcontractors and their Principals shall comply with these requirements and limitations. Any failure of the Bank to include a Participant/Subcontractor Notice in an applicable Measure H Subcontract pursuant to the foregoing provision and any violation of Section 470(c)(12) of the Charter or the Measure H

Ordinance by the Bank or a Principal of the Bank shall entitle the City to terminate this Agreement in accordance with the terms of the Measure H Ordinance and pursue any and all applicable legal remedies that may be available to the City. Any such termination of this Agreement pursuant to the Measure H Ordinance shall be subject to the termination provisions set forth in Section 2.07 of this Agreement. Any violation of Section 470(c)(12) of the Charter or the Measure H Ordinance by a Participant or Subcontractor or their respective Principals may subject the Participant or Subcontractor or such respective Principal to penalties under Section 470(c)(12) of the Charter or the Measure H Ordinance. The Bank may obtain additional information about the Measure H Ordinance at the City Ethics Commission's website at <http://ethics.lacity.org/> or by calling (213) 978-1960.

The Bank represents and warrants that the individuals identified on Bidder Contributions CEC Form 55 submitted in connection with this Agreement on the Amendment Effective Date, other than those described clauses (i), (ii), (iii) or (v) of the definition of "Principal" herein, are the individual employees authorized to represent the Bank before the City in connection with this Agreement.

Section 8.04. Use of Criminal History For Consideration of Employment Applications. To the extent required by the hereinafter defined Use of Criminal History Provisions, this Agreement is subject to Section 10.48 et. seq. of the LA Admin Code related to the Use of Criminal History for Consideration of Employment Applications ("*Use of Criminal History Provisions*"), which is incorporated herein by this reference to the extent required by the Use of Criminal History Provisions. A copy of Section 10.48 of the LA Admin Code in effect on the Amendment Effective Date has been attached to this Agreement for the convenience of the parties as *Exhibit F* hereto. By way of specification but not limitation, pursuant to Sections 10.48.8.B of the LA Admin Code, the failure of the Bank to comply with the Use of Criminal History Provisions could be deemed to be a material breach of this Agreement and entitle the City to terminate the Agreement to the extent required by the Use of Criminal History Provisions. Any such termination of this Agreement pursuant to the Use of Criminal History Provisions shall be subject to the termination provisions set forth in Section 2.07 of this Agreement.

Section 8.05. Adoption or Enaction of Changes, Additions, Amendments or Modifications Not Applicable to Bank After Delivery of Tier Two Termination Notice. During the term of this Agreement, the City shall use its commercially reasonable efforts to provide the Bank with notice of any adopted or enacted changes, additions, amendments or modifications to the Equal Employment Practices, Child Support Provisions, the Measure H Ordinance and the Use of Criminal History Provisions, within seven (7) Business Days after the adoption or enactment thereof; provided that the Bank acknowledges that the City's failure to provide such information shall not constitute an Event of Default.

Any changes, additions, amendments or modifications to the Equal Employment Practices, Child Support Provisions, the Use of Criminal History Provisions or Measure H Ordinance, as applicable, made on or after the date of receipt by the City of a Tier Two Termination Notice shall not apply to the Bank unless such Tier Two Termination Notice is rescinded.

To the best of the Bank's knowledge, based on reasonable inquiry, as of the Amendment Effective Date the Bank is in compliance with the Equal Employment Practices, the Child Support Provisions, the Use of Criminal History Provisions and Measure H Ordinance as of the Amendment Effective Date.

Section 8.06. Contracting Forms. The forms required for contracting with the City previously submitted to the City by the Bank in connection with the Original Agreement are hereby affirmed and are hereby incorporated by reference with the same effect as if each and every such form was set forth herein in its entirety.

ARTICLE IX.

MISCELLANEOUS

Section 9.01. Amendments, Waivers, Etc. No amendment or waiver of any provision of this Agreement, or consent to any departure by the City therefrom, shall in any event be effective unless the same shall be in writing and signed by the Bank, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall, unless in writing and signed by the Bank, affect the rights or duties of the Bank under this Agreement or any other Program Document.

Section 9.02. Notices. All notices, requests, demands, directions and other communications (collectively "notices") under the provisions of this Agreement shall be in writing (including facsimile communication), unless otherwise expressly permitted hereunder, and shall be sent by first-class mail or overnight delivery and shall be deemed received as follows: (i) if by first-class mail, five (5) Business Days after mailing; (ii) if by overnight delivery, when signed for against receipt thereof; (iii) if by telephone, when given to a person who confirms such receipt; and (iv) if by facsimile, when confirmation of receipt is obtained; provided that all notices, presentations, and demands under the Letter of Credit shall be made and be deemed received in the manner and when provided in the Letter of Credit. All notices shall be sent to the applicable party at the following address or in accordance with the last unrevoked written direction from such party to the other parties hereto:

to the City:

City of Los Angeles/CAO
200 North Main Street, Room 1500
Los Angeles, California 90012
Facsimile: (213) 473-7540
Telephone: (213) 473-7500
Attention: Debt Management Group
Email: cao.debt@lacity.org

with a copy to:

Los Angeles City Attorney
200 North Main Street, Room 920
Los Angeles, California 90012
Facsimile: 213-978-7714
Telephone Main Office: 213-978-8700
Telephone Direct Line: 213-978-7788

Attention: Public Finance

to the Bank with respect
to credit matters:

The Toronto-Dominion Bank, NY Branch
c/o TD Securities (USA) LLC
31 West 52nd Street
New York, New York 10019
Attention: Karima Omar/Chiun Ng
Telephone: (212) 827-7732/(212) 827-7566
Facsimile: (212) 827-7244
Email: karima.omar@tdsecurities.com/
chiun.ng@tdsecurities.com

to the Bank, with respect
to Drawings under the
Letter of Credit:

The Toronto-Dominion Bank
222 Bay Street
E&Y Tower 15th Floor Toronto Ontario M5K 1A2
Attention: Vlad Penchuk / Christine Kim
Telephone: (416) 307 0529 / (416) 982-8748
Facsimile: (416) 982 8619
Email: Volodymyr.Penchuk@tdsecurities.com
Christine.Kim@tdsecurities.com
Please send all notifications to:
TDSINotices@tdsecurities.com

to the Issuing and Paying
Agent:

U.S. Bank National Association
100 Wall Street, 16th Floor
New York, New York 10005
Telephone: (212) 361-6140
Facsimile: (212) 509-4529
Attention: Corporate Trust Division

to the Dealers:

Barclays Capital Inc.
745 Seventh Avenue, 2nd Floor
New York, New York 10019
Attention: Public Finance – Short Term Products
Telephone: (212) 526-2093
Facsimile: (646) 758-1905

Citigroup Global Markets Inc.
390 Greenwich Street, 2nd Floor
New York, New York 10013
Attn: Manager, Short Term Finance Group
Telephone: (212) 723-5688
Facsimile: (212) 723-8809

The Bank may rely on any notice (including telephone communication) purportedly made by or on behalf of the other, and shall have no duty to verify the identity or authority of the

Person giving such notice, unless such actions or omissions would amount to gross negligence or intentional misconduct.

Section 9.03. Survival of Covenants; Successors and Assigns. (a) All covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the making of any Drawing or Advance hereunder and shall continue in full force and effect and until all Obligations hereunder, under the Fee Letter and under the Bank Note shall have been paid in full. Whenever in this Agreement and the Fee Letter any of the parties hereto and thereto is referred to, such reference shall, subject to the last sentence of this Section, be deemed to include the successors and assigns of such party, and all covenants, promises and agreements by or on behalf of the City which are contained in this Agreement, the Fee Letter and the Bank Note shall inure to the benefit of the successors and assigns of the Bank. The City may not transfer its rights or obligations under this Agreement, the Fee Letter or the Bank Note without the prior written consent of the Bank. The Bank may transfer some or all of its rights and obligations under this Agreement and the Letter of Credit with the prior written consent of the City (which consent shall not be withheld unreasonably); *provided* that (i) the City has received written notice from each Rating Agency then rating the Commercial Paper Notes that the transfer shall not cause the lowering, withdrawal or suspension of any ratings then existing on the Commercial Paper Notes; and (ii) the Bank shall be responsible for all costs resulting from the transfer. This Agreement, the Fee Letter and the Bank Note are made solely for the benefit of the City, the Bank, and no other Person (including, without limitation, the Issuing and Paying Agent, any Dealer or any holder of Commercial Paper Notes) shall have any right, benefit or interest under or because of the existence of this Agreement, the Fee Letter or the Bank Note.

(b) Notwithstanding the foregoing, the Bank shall be permitted to grant to one or more financial institutions (each a “*Participant*”) a participation or participations in all or any part of the Bank’s rights and benefits under this Agreement, the Letter of Credit, the Fee Letter and the Bank Note on a participating basis but not as a party to this Agreement, the Letter of Credit, the Fee Letter or the Bank Note (a “*Participation*”) without the consent of the City. In the event of any such grant by the Bank of a Participation to a Participant, the Bank shall remain responsible for the performance of its obligations hereunder and under the Letter of Credit, and the City shall continue to deal solely and directly with the Bank in connection with the Bank’s rights and obligations hereunder and thereunder. The City agrees that each Participant shall, to the extent of its Participation, be entitled to the benefits of this Agreement, the Letter of Credit, the Fee Letter and the Bank Note as if such Participant were the Bank; *provided* that no Participant shall have the right to declare, or to take actions in response to, an Event of Default under Section 7.01 hereof; *provided further* that all references to “Taxing Jurisdiction” in Section 2.13 hereof shall also refer to any jurisdiction, taxing authority or taxing jurisdiction in which the Participant is organized, has its principal place of business, is managed and controlled or from which or through which payments to or from the Participant are made; and *provided further* that no such Participant shall be entitled to receive payment pursuant to Section 2.14 hereof in an amount greater than the amount which would have been payable had the Bank not granted a Participation to such Participant; *provided further* that the City’s liability to any Participant shall not in any event exceed that liability which the City would owe to the Bank but for such participation.

Section 9.04. Unconditional Obligations. The obligations of the City under this Agreement, the Fee Letter and the Bank Note shall be absolute, unconditional, irrevocable and payable strictly in accordance with the terms of the Resolution, the Issuing and Paying Agent Agreement, this Agreement, the Fee Letter and the Bank Note, under all circumstances whatsoever, including, without limitation, the following (*provided* that the payment obligations of the City under this Agreement, the Fee Letter and the Bank Note are subject in all respects to the provisions of Section 2.16(d) hereof):

(a) any lack of validity or enforceability of this Agreement, the Fee Letter, the Letter of Credit, the Bank Note or, to the extent permitted by Law, the Commercial Paper Notes, the Resolution, the Issuing and Paying Agent Agreement, or any other Program Document;

(b) any amendment or waiver of or any consent to departure from the terms of the Resolution, the Issuing and Paying Agent Agreement, or all or any of the other Program Documents to which the Bank has not consented in writing;

(c) the existence of any claim, counterclaim, set off, recoupment, defense, or other right which any Person may have at any time against the Bank, the City, the Issuing and Paying Agent, any Dealer, or any other Person, whether in connection with this Agreement, the Fee Letter, the Bank Note, the Resolution, the Issuing and Paying Agent Agreement, the other Program Documents, or any other transaction related thereto;

(d) any statement or any other document presented pursuant hereto or pursuant to the Letter of Credit which the Bank in good faith determines to be valid, sufficient or genuine and which subsequently proves to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;

(e) payment by the Bank of a Drawing or an Advance against presentation of a request which the Bank in good faith determines to be valid, sufficient or genuine and which subsequently is found not to comply with the terms of this Agreement; and

(f) any other circumstances or happening whatsoever whether or not similar to any of the foregoing.

Section 9.05. LIABILITY OF BANK; INDEMNIFICATION. (a) TO THE FULLEST EXTENT PERMITTED BY THE LAWS OF THE STATE, THE CITY ASSUMES ALL RISKS OF THE ACTS OR OMISSIONS OF THE ISSUING AND PAYING AGENT, THE DEALER, AND THE OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES OF EITHER OR BOTH OF THEM (COLLECTIVELY, THE “CP SELLERS”) WITH RESPECT TO THE USE OF THE LETTER OF CREDIT AND THE USE OF PROCEEDS THEREUNDER; *PROVIDED* THAT THIS ASSUMPTION WITH RESPECT TO THE BANK IS NOT INTENDED TO AND SHALL NOT PRECLUDE THE CITY FROM PURSUING SUCH RIGHTS AND REMEDIES AS IT MAY HAVE AGAINST ANY CP SELLER UNDER ANY OTHER AGREEMENTS. NEITHER THE BANK NOR ANY OF ITS OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS SHALL BE LIABLE OR RESPONSIBLE FOR (I) THE USE OF THE LETTER OF CREDIT, THE DRAWINGS OR ADVANCES THEREUNDER OR HEREUNDER, THE PROCEEDS OF THE COMMERCIAL PAPER NOTES OR THE TRANSACTIONS

CONTEMPLATED HEREBY AND BY THE PROGRAM DOCUMENTS OR FOR ANY ACTS OR OMISSIONS OF ANY CP SELLER; (II) THE VALIDITY, SUFFICIENCY OR GENUINENESS OF ANY DOCUMENTS DETERMINED IN GOOD FAITH BY THE BANK TO BE VALID, SUFFICIENT OR GENUINE, EVEN IF SUCH DOCUMENTS SHALL, IN FACT, PROVE TO BE IN ANY OR ALL RESPECTS INVALID, FRAUDULENT, FORGED OR INSUFFICIENT; (III) PAYMENTS BY THE BANK AGAINST PRESENTATION OF REQUESTS FOR DRAWINGS OR REQUESTS FOR WHICH THE BANK IN GOOD FAITH HAS DETERMINED TO BE VALID, SUFFICIENT OR GENUINE AND WHICH SUBSEQUENTLY ARE FOUND NOT TO COMPLY WITH THE TERMS OF THIS AGREEMENT OR THE LETTER OF CREDIT; (IV) ANY MECHANICAL ERROR, OMISSION, INTERRUPTION OR DELAY IN THE TRANSMISSION, DISPATCH OR DELIVERY OR ANY MESSAGE OR ADVICE, HOWEVER TRANSMITTED IN CONNECTION WITH THIS AGREEMENT OR THE LETTER OF CREDIT; OR (V) ANY OTHER CIRCUMSTANCES WHATSOEVER IN MAKING OR FAILING IN GOOD FAITH TO MAKE PAYMENT HEREUNDER OR UNDER THE LETTER OF CREDIT; *PROVIDED* THAT THE CITY SHALL NOT BE REQUIRED TO INDEMNIFY THE BANK FOR ANY CLAIMS, LOSSES, LIABILITIES, COSTS OR EXPENSES TO THE EXTENT, BUT ONLY TO THE EXTENT, SOLELY AND DIRECTLY CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE BANK.

(b) TO THE EXTENT PERMITTED BY THE LAWS OF THE STATE OF CALIFORNIA, THE CITY HEREBY INDEMNIFIES AND HOLDS HARMLESS THE BANK AND ANY OF ITS OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS FROM AND AGAINST ANY AND ALL DIRECT, AS OPPOSED TO CONSEQUENTIAL OR PUNITIVE CLAIMS, DAMAGES (THE RIGHT TO RECEIVE CONSEQUENTIAL OR PUNITIVE DAMAGES BEING HEREBY WAIVED), LOSSES, LIABILITIES, COSTS OR EXPENSES (INCLUDING SPECIFICALLY REASONABLE ATTORNEYS' FEES) WHICH THE BANK OR ANY OF ITS OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS MAY INCUR BY REASON OF OR IN CONNECTION WITH (I) THE EXECUTION AND DELIVERY OF THIS AGREEMENT, THE FEE LETTER, THE LETTER OF CREDIT AND THE BANK NOTE AND THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY; AND (II) THE STATEMENTS CONTAINED IN THE OFFERING MEMORANDUM PREPARED AND DISTRIBUTED IN CONNECTION WITH THE COMMERCIAL PAPER NOTES; *PROVIDED* THAT THE CITY SHALL NOT BE REQUIRED TO INDEMNIFY THE BANK, AND THE CITY SHALL HAVE A CAUSE OF ACTION AGAINST THE BANK, AND THE BANK SHALL BE LIABLE, FOR ANY DIRECT, AS OPPOSED TO CONSEQUENTIAL OR PUNITIVE CLAIMS, DAMAGES (THE RIGHT TO RECEIVE CONSEQUENTIAL OR PUNITIVE DAMAGES BEING HEREBY WAIVED), LOSSES, LIABILITIES, COSTS OR EXPENSES (A) TO THE EXTENT, BUT ONLY TO THE EXTENT, SOLELY AND DIRECTLY CAUSED BY (1) THE BANK'S WILLFUL MISCONDUCT OR GROSS NEGLIGENCE IN DETERMINING WHETHER THE DOCUMENTS PRESENTED UNDER THE LETTER OF CREDIT COMPLY WITH THE TERMS OF THE LETTER OF CREDIT (IT BEING UNDERSTOOD AND AGREED BY THE PARTIES HERETO THAT IN MAKING SUCH PAYMENT THE BANK'S EXCLUSIVE RELIANCE ON THE DOCUMENTS PRESENTED TO THE BANK IN ACCORDANCE WITH THE TERMS OF THE LETTER OF CREDIT AS TO ANY AND ALL MATTERS SET FORTH THEREIN, WHETHER OR NOT ANY SUCH STATEMENT OR ANY SUCH DOCUMENT PRESENTED TO THE BANK

PURSUANT TO THE LETTER OF CREDIT PROVES TO BE FORGED, FRAUDULENT, INVALID OR INSUFFICIENT IN ANY RESPECT OR ANY STATEMENT THEREIN PROVES TO BE UNTRUE OR INACCURATE IN ANY RESPECT WHATSOEVER SHALL NOT BE DEEMED WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF THE BANK); OR (2) THE BANK'S WILLFUL OR GROSSLY NEGLIGENT FAILURE TO MAKE LAWFUL PAYMENT UNDER THE LETTER OF CREDIT AFTER THE PROPER PRESENTATION TO THE BANK BY THE ISSUING AND PAYING AGENT OR A SUCCESSOR ISSUING AND PAYING AGENT UNDER THE RESOLUTION OF A DRAWING STRICTLY COMPLYING WITH THE TERMS AND CONDITIONS OF THE LETTER OF CREDIT, UNLESS SUCH FAILURE SHALL HAVE RESULTED FROM CIRCUMSTANCES BEYOND THE CONTROL OF THE BANK; OR (B) INCURRED IN CONNECTION WITH THE MATERIAL INACCURACY OF THE STATEMENTS CONTAINED IN THE OFFERING MEMORANDUM UNDER THE CAPTION "THE BANKS-THE TORONTO-DOMINION BANK" THAT WERE FURNISHED IN WRITING, OR OTHERWISE CONSENTED TO IN WRITING, BY THE BANK EXPRESSLY FOR INCLUSION THEREIN. The Bank is hereby expressly authorized and directed to honor any demand for payment which is made under the Letter of Credit without regard to, and without any duty on its part to inquire into the existence of, any disputes or controversies between the City, any Dealer, the Issuing and Paying Agent or any other person or the respective rights, duties or liabilities of any of them, or whether any facts or occurrences represented in any of the documents presented under the Letter of Credit are true and correct.

Section 9.06. Expenses and Taxes. The City will promptly pay (a) the reasonable fees and expenses set forth in the Fee Letter; (b) the reasonable fees and disbursements of counsel to the Bank with respect to advising the Bank as to the rights and responsibilities under this Agreement and the Fee Letter after the occurrence of an Event of Default; and (c) all reasonable costs and expenses, if any, in connection with the enforcement of this Agreement and the Fee Letter and any other documents which may be delivered in connection herewith or therewith, including in each case the fees and disbursements of counsel to the Bank. In addition, the City shall pay any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of this Agreement and the Fee Letter and the security contemplated by the Program Documents and any related documents and agrees to hold the Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees. In addition, the City agrees to pay, after the occurrence of an Event of Default, all costs and expenses (including attorneys' fees and costs of settlement) incurred by the Bank in enforcing any obligations or in collecting any payments due from the City hereunder or under the Fee Letter by reason of such Event of Default or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement or the Fee Letter in the nature of a "workout" or of any insolvency or bankruptcy proceedings.

Section 9.07. No Waiver; Conflict. Neither any failure nor any delay on the part of the Bank in exercising any right, power or privilege hereunder, nor any course of dealing with respect to any of the same, shall operate as a waiver thereof, preclude any other or further exercise thereof nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. To the extent of any

conflict between this Agreement, the Letter of Credit, the Resolution and any other Program Documents, this Agreement shall control solely as between the City and the Bank.

Section 9.08. Modification, Amendment, Waiver, Etc. No modification, amendment or waiver of any provision of this Agreement, the Fee Letter or the Bank Note shall be effective unless the same shall be in writing and signed by the parties hereto.

Section 9.09. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction, and all other remaining provisions hereof will be construed to render them enforceable to the fullest extent permitted by Law.

Section 9.10. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but when taken together shall constitute but one agreement and any of the parties hereto may execute this Agreement by signing any such counterpart.

Section 9.11. Table of Contents; Headings. The table of contents and the section and subsection headings used herein have been inserted for convenience of reference only and do not constitute matters to be considered in interpreting this Agreement.

Section 9.12. ENTIRE AGREEMENT. THIS AGREEMENT AND THE FEE LETTER, TOGETHER WITH THE BANK NOTE REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES HERETO AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES HERETO.

Section 9.13. Governing Law. (a) This Agreement shall be governed by and construed in accordance with the laws of the State of California.

(b) THE PARTIES HERETO HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION OF THE FEDERAL AND STATE COURTS OF THE STATE OF CALIFORNIA AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION, SUIT OR PROCEEDING BROUGHT AGAINST OR BY IT IN CONNECTION WITH THIS AGREEMENT OR ANY RELATED DOCUMENT OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT RELATED THERETO, AND THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREE THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD OR DETERMINED IN SUCH CALIFORNIA FEDERAL OR STATE COURT.

(c) The covenants and consents made pursuant to this Section 9.13 shall be irrevocable and unmodifiable, whether in writing or orally, and shall be applicable to any subsequent amendments, renewals, supplements or modifications of this Agreement. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

Section 9.14. Right of Set-off. To the fullest extent permitted by the Laws of the State, upon the occurrence and during the continuance of an Event of Default, the Bank is hereby authorized at any time and from time to time without notice to the City (any such notice being expressly waived by the City), and to the fullest extent permitted by Law, to exercise any right of set-off with respect to any and all balances, credits, deposits (general or special, time or demand, provisional or final), accounts or monies at any time held and other Debt at any time owing by the Bank to or for the account of the City and constituting Revenues (irrespective of the currency in which such accounts, monies or Debt may be denominated and the Bank are authorized to convert such accounts, monies and Debt into U.S. dollars) against any and all of the obligations of the City under this Agreement, the Fee Letter and the Bank Note, whether or not the Bank shall have made any demand with respect thereto.

The rights of the Bank under this section are in addition to, in augmentation of, and do not derogate from or impair, other rights and remedies (including, without limitation, other rights of set-off) which the Bank may have. The Bank agrees to promptly notify the City after any such set-off and application referred to above, provided that failure to give such notice shall not affect the validity of such set-off and application.

Section 9.15. USA Patriot Act; Government Regulations. The Bank hereby notifies the City that pursuant to the requirements of the Patriot Act, the Bank is required to obtain, verify and record information that identifies the City, which information includes the name and address of the City and other information that will allow the Bank to identify the City in accordance with the Patriot Act. The City shall, promptly following a request by the Bank, provide all documentation and other information that the Bank reasonably requests in order to comply with its ongoing obligations under applicable Law or regulation, including, without limitation, “know your customer” and anti-money laundering rules and regulations, including the Patriot Act, and shall comply with all applicable Bank Secrecy Act (“BSA”) laws and regulations, as amended.

The City hereby represents and warrants and covenants and agrees (a) that it is not and shall not be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the U.S. government, including those administered by the Office of Foreign Assets Control (“OFAC”), the Department of the Treasury and the U.S. Department of State or included in any Executive Orders, that prohibits or limits the Bank from making any advance or extension of credit to the City or from otherwise conducting business with the City and (b) to ensure that, to the knowledge of the City, the proceeds of the Commercial Paper Notes, any Drawing or any amounts advanced under this Agreement shall not be used to violate any of the foreign asset control or other sanctions regulations of the U.S. government, including OFAC, the Department of the Treasury and the U.S. Department of State, or any enabling statute or Executive Order relating thereto.

Section 9.16. Dealing with the City, the Issuing and Paying Agent, and/or the Dealer. Nothing in this Agreement shall prevent the Bank and its affiliates from accepting deposits from, extending credit to and generally engaging in any kind of banking, trust or other business with the City, the Issuing and Paying Agent, and/or any Dealer regardless of the capacity of the Bank hereunder.

Section 9.17. Arm's Length Transaction. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Program Document), the City acknowledges and agrees that: (a) (i) the services regarding this Agreement, the Letter of Credit and the Fee Letter provided by the Bank and any affiliate thereof are arm's-length commercial transactions between the City, on the one hand, and the Bank and its affiliates, on the other hand, (ii) the City has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the City is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Program Documents; (b) (i) the Bank and its affiliates each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor (including, without limitation, as a financial advisor or municipal advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended, and the related final rules)), or agent or fiduciary, for the City, or any other Person, (ii) the Bank has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 as amended, to the City with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether the Bank or any of its affiliates has provided other services or is currently providing other services to the City on other matters) and (iii) neither the Bank nor any of its affiliates has any obligation to the City with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Program Documents; (c) the Bank and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the City, and neither the Bank nor any of its affiliates has any obligation to disclose any of such interests to the City and (d) the Bank has not provided any advice or assumed any advisory or fiduciary responsibility in favor of the City with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Bank, or any affiliate of the Bank, has provided other services or advised, or is currently providing other services or advising the City on other matters) and the Bank is not recommending that the City take an action with respect to the transaction described in this Agreement and the other Program Documents.

Section 9.18. Amendment and Restatement. This Agreement amends and restates in its entirety the Original Agreement and from and after the Amendment Effective Date all references made to the Original Agreement in any Document or in any other instrument or document shall without more, be deemed to refer to this Agreement. This Agreement shall become effective and supersede all provisions of the Original Agreement upon the execution of this Agreement by each of the parties hereto and the fulfillment of all conditions precedent hereof but is not intended to be or operate as a novation or an accord and satisfaction of the Original Agreement or the indebtedness, obligations and liabilities of the City evidenced or provided for thereunder. The parties hereto agree that this Agreement does not extinguish nor discharge the obligations of the City under the Original Agreement.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the City and the Bank have duly executed this Amended and Restated Reimbursement Agreement as of the date first above written.

CITY OF LOS ANGELES

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

MICHAEL N. FEUER, City Attorney

Date: October 15, 2021

By: _____
Deputy/Assistant City Attorney

THE TORONTO-DOMINION BANK, New York
Branch

By: _____
Name: _____
Title: _____

APPENDIX I
FORM OF ORIGINAL LETTER OF CREDIT

[See attached pages]

APPENDIX II

**FORM OF OMNIBUS AMENDMENT AND NOTICE OF EXTENSION OF LETTER OF
CREDIT EXPIRATION DATE**

[See attached pages]

APPENDIX II

(to Amended and Restated Reimbursement Agreement)

EXHIBIT A

[FORM OF TIER ONE STOP ISSUANCE INSTRUCTION]

[Dated Date]

City of Los Angeles/CAO
200 North Main Street, Room 1500
Los Angeles, California 90012
Attention: Debt Management Group

U.S. Bank National Association,
as Issuing and Paying Agent
100 Wall Street, Suite 1600
New York, New York 10005
Attention: Corporate Trust Division

Re: City of Los Angeles
Wastewater System Commercial Paper Revenue Notes
Tax-Exempt Series A-2 Notes and Taxable Series B-2 Notes

Ladies and Gentlemen:

Pursuant to Sections 3.02(b) and 7.02(b) of that certain Amended and Restated Reimbursement Agreement, dated as of October 15, 2021 (the “*Reimbursement Agreement*”), by and between the City of Los Angeles (the “*City*”) and the undersigned, as Bank, you are hereby notified that (a) either (1) an “Event of Default” under Section 7.01() of the Reimbursement Agreement has occurred and is now continuing or (2) one or more of the representations and warranties of the City set forth in the Reimbursement Agreement, are in the reasonable opinion of the Bank, no longer true and correct in all material respects; (b) upon receipt of this notice, (i) no new Commercial Paper Notes, as defined in the Reimbursement Agreement, shall be issued or authenticated on or after the date hereof, (ii) the Stated Amount of the Letter of Credit shall be permanently reduced to the principal amount of Commercial Paper Notes outstanding on the date of your receipt this Tier One Stop Issuance Instruction plus interest thereon to maturity (“*Outstanding Notice Amount*”), (iii) the Stated Amount of the Letter of Credit shall be further permanently reduced following the Bank honoring the related Drawing upon the maturity of any such Commercial Paper Notes (or with respect to the Tier One Final Drawing Notice, upon the Bank honoring the final Drawing), and shall be further permanently reduced from time to time as otherwise may be provided in the Letter of Credit and (iv) the Stated Amount shall no longer be reinstated following any Drawings. Capitalized terms used herein and not defined herein having their respective meanings set forth in the Reimbursement Agreement.

This Tier One Stop Issuance Instruction shall remain in effect unless you have received written notification from us that this Tier One Stop Issuance Instruction has been rescinded.

Very truly yours,

EXHIBIT A
(to Amended and Restated Reimbursement Agreement)

THE TORONTO-DOMINION BANK, New York
Branch, as Bank

By: _____
Name: _____
Title: _____

ACCEPTED AND ACKNOWLEDGED BY:

U.S. Bank National Association, as Issuing and Paying Agent, hereby accepts this Tier One Stop Issuance Instruction on _____, 20__ (the “*Acceptance Date*”) and acknowledges that it has ceased issuing Commercial Paper Notes as of the Acceptance Date; *provided, however*, that the failure of U.S. Bank National Association to acknowledge this Tier One Stop Issuance Instruction shall not affect the effectiveness of this Tier One Stop Issuance Instruction. U.S. Bank Trust National Association, as Issuing and Paying Agent, hereby certifies that the Outstanding Notice Amount (which is the principal amount of Commercial Paper Notes outstanding as of the Acceptance Date plus interest thereon to maturity) equals \$_____, and therefore the Stated Amount of the Letter of Credit is hereby permanently reduced to such amount as of the Acceptance Date.

U.S. BANK NATIONAL ASSOCIATION, as Issuing and Paying Agent

By: _____
Name: _____
Title: _____

cc: [DEALER]
[RATING AGENCIES]

EXHIBIT B

FORM OF BANK NOTE

AMENDED AND RESTATED BANK NOTE

\$289,333,334 Maximum Principal Amount

October 15, 2021

FOR VALUE RECEIVED, the undersigned, the CITY OF LOS ANGELES (the “Borrower”), hereby promises to pay to the order of THE TORONTO-DOMINION BANK, New York Branch (the “Bank”) at its principal office at 31 West 52nd Street, New York, New York 10019, in the manner and on the dates provided in the hereinafter defined Agreement in lawful money of the United States of America and in immediately available funds, the principal amount equal to the aggregate unreimbursed amount of the Advances made by the Bank pursuant to the Agreement not to exceed Two Hundred Eighty-Nine Million Three Hundred Thirty-Three Thousand Three Hundred Thirty-Four Dollars (\$289,333,334). This Bank Note amends and restates the City’s promissory note payable to the order of the Bank previously executed and delivered by the City to the Bank on October 23, 2018. Terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Amended and Restated Reimbursement Agreement, dated as of October 15, 2021 (as the same may be amended, modified or restated, the “Agreement”), by and between the Borrower and the Bank, as from time to time in effect.

The Borrower further promises to pay interest from the date hereof on the outstanding principal amount hereof and unpaid interest hereon from time to time at the rates and times and in all cases in accordance with the terms of the Agreement. The Bank may endorse its records relating to this Bank Note with appropriate notations evidencing the Advances under the Agreement and payments of principal hereunder as contemplated by the Agreement.

This Bank Note is issued pursuant to, is entitled to the benefits of, and is subject to, the provisions of the Agreement and that certain (i) that certain Wastewater System Subordinate Revenue Bonds General Resolution, adopted March 26, 1991 (the “*Subordinate General Resolution*”), as amended from time to time, including by that certain Amended and Restated First Supplemental Resolution adopted on October 8, 2021 (“*A&R First Supplemental Resolution*,” and as further amended, restated, supplemented or otherwise modified in accordance with the terms thereof, the “*Supplemental Resolutions*”, and collectively with the Subordinate General Resolution as heretofore amended and as the same may be amended, modified or restated in accordance with the terms thereof, the “*Resolution*”) and (ii) that certain Second Amended and Restated Issuing and Paying Agent Agreement, dated as of October 1, 2021 (as the same may be amended, modified or restated, the “*Issuing and Paying Agent Agreement*”), by and between the City and U.S. Bank National Association, as Issuing and Paying Agent and its successors and assigns (the “*Issuing and Paying Agent*”). The principal of this Bank Note is subject to prepayment in whole or in part in accordance with the terms of the Agreement.

The parties hereto, including the undersigned maker and all guarantors, endorsers and pledgors that may exist at any time with respect hereto, hereby waive presentment, demand,

EXHIBIT B

(to Amended and Restated Reimbursement Agreement)

notice, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Bank Note and assent to the extensions of the time of payment or forbearance or other indulgence without notice.

This Bank Note and the obligations of the borrower hereunder shall for all purposes be governed by and interpreted and determined in accordance with the laws of the State of California (excluding the laws applicable to conflicts or choice of law).

NEITHER THE FAITH AND THE CREDIT NOR THE TAXING POWER OF THE CITY OF LOS ANGELES, THE STATE OF CALIFORNIA OR ANY PUBLIC AGENCY, OTHER THAN THE BORROWER TO THE EXTENT OF THE REVENUES, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS NOTE. NONE OF THE PROPERTIES OF THE AIRPORT SYSTEM ARE SUBJECT TO ANY MORTGAGE OR OTHER LIEN FOR THE BENEFIT OF THE BANK. THE BORROWER HAS NO POWER OF TAXATION.

THIS NOTE AND THE INTEREST THEREON IS JUNIOR AND SUBORDINATE IN ALL RESPECTS TO THE SENIOR LIEN BONDS AS TO LIEN ON AND SOURCE AND SECURITY FOR PAYMENT FROM THE REVENUES.

IN WITNESS WHEREOF, the Borrower has caused this Amended and Restated Bank Note to be signed in its name as an instrument by its duly authorized officer on the date and in the year first above written.

CITY OF LOS ANGELES

By: _____
Name: _____
Title: Assistant City Administrative Officer

Attest:

By: _____
Name: _____
Title: City Clerk

EXHIBIT C

[FORM OF REQUEST FOR EXTENSION]

The Toronto-Dominion Bank
222 Bay Street
E&Y Tower 15th Floor Toronto Ontario M5K 1A2
Attention: Vlad Penchuk / Christine Kim
Telephone: (416) 307 0529 /(416) 982-8748

cc: Via Facsimile to (416) 982 8619

Re: Request for Extension of Irrevocable Transferable
Direct Pay Letter of Credit No. F8TDGN1SV

Ladies and Gentlemen:

Pursuant to Section 2.12 of that certain Amended and Restated Reimbursement Agreement, dated as of October 15, 2021 (the "*Reimbursement Agreement*"), by and between the City of Los Angeles (the "*City*") and The Toronto-Dominion Bank, New York Branch (the "*Bank*"), the City hereby requests that the Letter of Credit Expiration Date be extended for a [] extension. All capitalized terms contained herein which are not specifically defined herein shall be deemed to have the definition set forth in the Reimbursement Agreement.

The Bank is requested to notify the City of its decision with respect to this request for extension within 60 days of the date of receipt of all information necessary, in the Bank's reasonable judgment, to permit the Bank to make an informed credit decision. If the Bank fails to notify the City of its decision within such 60 day period, the Bank shall be deemed to have rejected such request.

Very truly yours,

CITY OF LOS ANGELES

By: _____
Name: _____
Title: _____

cc: [Issuing and Paying Agent],
as Issuing and Paying Agent

EXHIBIT C

(to Amended and Restated Reimbursement Agreement)

EXHIBIT D

SECTION 10.8.3 OF THE LOS ANGELES ADMINISTRATIVE CODE

Section 10.8.3. Equal Employment Practices Provisions.

Every non construction and construction Contract with, or on behalf of, the City of Los Angeles for which the consideration is \$1,000 or more shall contain the following provisions, which shall be designated as the EQUAL EMPLOYMENT PRACTICES provision of such contract:

A. During the performance of this Contract, the Contractor agrees and represents that it will provide Equal Employment Practices and the Contractor and each Subcontractor hereunder will ensure that in his or her Employment Practices persons are employed and employees are treated equally and without regard to, or because of, race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status or medical condition.

1. This provision applies to work or service performed or materials manufactured or assembled in the United States.

2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.

3. The Contractor agrees to post a copy of Paragraph A., hereof, in conspicuous places at its place of business available to employees and applicants for employment.

B. The Contractor will, in all solicitations or advertisements for employees placed by, or on behalf of, the Contractor, state that all qualified applicants will receive consideration for employment without regard to their race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status or medical condition.

C. At the request of the Awarding Authority or the DAA, the Contractor shall certify in the specified format that he or she has not discriminated in the performance of City Contracts against any employee or applicant for employment on the basis or because of race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status or medical condition.

D. The Contractor shall permit access to, and may be required to provide certified copies of, all of his or her records pertaining to employment and to employment practices by the awarding authority or the DAA for the purpose of investigation to ascertain compliance with the Equal Employment Practices provisions of City Contracts. Upon request, the Contractor shall provide evidence that he or she has or will comply therewith.

E. The failure of any Contractor to comply with the Equal Employment Practices provisions of this contract may be deemed to be a material breach of City

EXHIBIT D

(to Amended and Restated Reimbursement Agreement)

Contracts. The failure shall only be established upon a finding to that effect by the Awarding Authority, on the basis of its own investigation or that of the DAA. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to the Contractor.

F. Upon a finding duly made that the Contractor has failed to comply with the Equal Employment Practices provisions of a City Contract, the Contract may be forthwith cancelled, terminated or suspended, in whole or in part, by the Awarding Authority, and all monies due or to become due hereunder may be forwarded to, and retained by, the City of Los Angeles. In addition thereto, the failure to comply may be the basis for a determination by the Awarding Authority or the DAA that the said Contractor is a non-responsible bidder or proposer pursuant to the provisions of Section 10.40 of this Code. In the event of such a determination, the Contractor shall be disqualified from being awarded a Contract with the City of Los Angeles for a period of two years, or until the Contractor shall establish and carry out a program in conformance with the provisions hereof.

G. Notwithstanding any other provision of this contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.

H. The Board of Public Works shall promulgate rules and regulations through the DAA, and provide necessary forms and required language to the Awarding Authorities to be included in City Request for Bids or Request for Proposal packages or in supplier registration requirements for the implementation of the Equal Employment Practices provisions of this Contract, and such rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive orders. No other rules, regulations or forms may be used by an Awarding Authority of the City to accomplish the contract compliance program.

I. Nothing contained in this Contract shall be construed in any manner so as to require or permit any act which is prohibited by law.

J. By affixing its signature on a Contract that is subject to this article, the Contractor shall agree to adhere to the Equal Employment Practices specified herein during the performance or conduct of City Contracts.

K. Equal Employment Practices shall, without limitation as to the subject or nature of employment activity, be concerned with employment practices, including, but not limited to:

1. hiring practices;
2. apprenticeships where approved programs are functioning and other on the job training for non apprenticeable occupations;
3. training and promotional opportunities; and
4. reasonable accommodations for persons with disabilities.

L. All Contractors subject to the provisions of this section shall include a similar provision in all subcontracts awarded for work to be performed under the Contract with the City, and shall impose the same obligations including, but not limited to, filing and reporting obligations, on the Subcontractors as are applicable to the Contractor. Subcontracts shall follow the same thresholds specified in Section 10.8.1.1. Failure of the Contractor to comply with this requirement or to obtain the compliance of its Subcontractors with all such obligations shall subject the Contractor to the imposition of any and all sanctions allowed by law, including, but not limited to, termination of the Contractor's Contract with the City.

SECTION HISTORY

Amended by: Ord. No. 147,030, Eff. 4-28-75; Subsecs. A., B., C., Ord. No. 164,516, Eff. 4-13-89; Subsec. C., Ord. No. 168,244, Eff. 10-18-92; Ord. No. 173,186, Eff. 5-22-00; Subsec. F., Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00; In Entirety, Ord. No. 184,292, Eff. 6-27-16.

EXHIBIT E

SECTION 10.10 OF THE LOS ANGELES ADMINISTRATIVE CODE

SECTION 10.10. CHILD SUPPORT ASSIGNMENT ORDERS.

a. Definitions.

1. **Awarding Authority** means a subordinate or component entity or person of the City (such as a City department or Board of Commissioners) that has the authority to enter into a contract or agreement for the provision of goods or services on behalf of the City of Los Angeles.

2. **Contract** means any agreement, franchise, lease or concession including an agreement for any occasional professional or technical personal services, the performance of any work or service, the provision of any materials or supplies, or the rendering of any service to the City of Los Angeles or to the public which is let, awarded or entered into with, or on behalf of, the City of Los Angeles or any awarding authority thereof.

3. **Contractor** means any person, firm, corporation, partnership or any combination thereof which submits a bid or proposal or enters into a contract with any awarding authority of the City of Los Angeles.

4. **Subcontractor** means any person, firm, corporation, partnership or any combination thereof who enters into a contract with a contractor to perform or provide a portion of any contract with the City.

5. **Principal Owner** means any person who owns an interest of 10 percent or more in a contractor or subcontractor as defined herein.

b. Mandatory Contract Provisions. Every contract that is let, awarded or entered into with or on behalf of the City of Los Angeles shall contain a provision obligating the contractor or subcontractor to fully comply with all applicable State and Federal employment reporting requirements for the contractor or subcontractor's employees. The contractor or subcontractor will also be required to certify that the principal owner(s) thereof are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally, that the contractor or subcontractor will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments in accordance with California Family Code §§5230 et seq. and that the contractor or subcontractor will maintain such compliance throughout the term of the contract.

Failure of a contractor or subcontractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignments or Notices of Assignment or failure of the principal owner(s) to comply with any Wage and Earnings Assignments or Notices of Assignment applicable to them personally shall constitute a default under the contract. Failure of the contractor or subcontractor or principal owner thereof to cure

EXHIBIT E

(to Amended and Restated Reimbursement Agreement)

the default within 90 days of notice of such default by the City shall subject the contract to termination.

c. Notice to Bidders. Each awarding authority shall be responsible for giving notice of the provisions of this ordinance to those who bid on, or submit proposals for, prospective contracts with the City.

d. Current Contractor Compliance. Within 30 days of the operative date of this ordinance, the City, through its operating departments, shall serve upon existing contractors a written request that they and their subcontractors (if any) comply with all applicable State and Federal employment reporting requirements for the contractor and subcontractor's employees, that they certify that the principal owner(s) of the contractor and any subcontractor are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally, that the contractor and subcontractor will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments in accordance with California Family Code §§5230 et seq. and that the contractor and subcontractor will maintain such compliance throughout the term of the contract.

e. City's Compliance with California Family Code. The City shall maintain its compliance with the provisions of California Family Code §§5230 et seq. and all other applicable law regarding its obligations as an employer to implement lawfully served Wage and Earnings Assignments and Notices of Assignment.

f. Report of Employees' Names to District Attorney.

1. The City shall maintain its current practice of assisting the District Attorney's support enforcement activities by annually reporting to the Los Angeles County District Attorney the names of all of its employees and retirees so that the District Attorney may identify those employees and retirees subject to Wage and Earnings Assignment Orders and Notices of Assignment and may establish court orders for support, where appropriate. Should the District Attorney so request it, the City will provide such information on a more frequent basis.

2. All applicants for employment with the City of Los Angeles will be asked to acknowledge their responsibility to comply with any court ordered support obligations and will be advised of the City's practice of assisting the District Attorney as described in the provisions of Subsection f.1., above.

SECTION HISTORY

Added by Ord. No. 172,401, Eff.2-13-99.

EXHIBIT F

SECTION 10.48 OF THE LOS ANGELES ADMINISTRATIVE CODE

ARTICLE 22

CITY CONTRACTORS' USE OF CRIMINAL HISTORY FOR CONSIDERATION OF EMPLOYMENT APPLICATIONS

Section

- 10.48 Purpose.
- 10.48.1 Definitions.
- 10.48.2 Employment Application Procedures.
- 10.48.3 Employer Assessment of Criminal History.
- 10.48.4 Notice and Posting Requirements for Employers.
- 10.48.5 Retaliation Prohibited.
- 10.48.6 Record Retention.
- 10.48.7 Exceptions from Employment Application Procedures.
- 10.48.8 Enforcement.
- 10.48.9 Penalty/Administrative Fine Schedule.
- 10.48.10 Implementation.
- 10.48.11 Conflicts.
- 10.48.12 Promotion of General Welfare.
- 10.48.13 Severability.

Section 10.48. Purpose.

The City awards many contracts to private firms to provide services to the public and to City government. The City intends that the policies underlying this article serve to guide all of these expenditures of funds to the extent allowed by the law.

Studies show that the disclosure of a criminal conviction by job applicants on application forms often automatically excludes them from consideration of employment regardless of any relationship between the conduct underlying the conviction and the duties and responsibilities of the job, the length of time since the conduct occurred and the risk of the conduct reoccurring on the job. Automatic exclusion of persons with prior criminal convictions from consideration of employment prevents otherwise qualified applicants from obtaining employment and may result in employers hiring less qualified candidates, increases the risk of recidivism of persons so excluded from consideration and disparately impacts persons of certain races and national origin.

In 2013, the State Legislature passed and the Governor signed Assembly Bill No. 218, which amended the State's Labor Code to prevent the State and local governments from seeking disclosure of conviction history from employment applicants until the agency has determined the applicant meets the minimum employment qualifications. In April 2014, the City of Los Angeles implemented AB 218 by removing questions regarding criminal convictions from employment applications, reviewing a job applicant's criminal history only after a position

EXHIBIT F

(to Amended and Restated Reimbursement Agreement)

eligibility list is prepared, and considering, among other things, the relationship between the conviction and the duties of the position.

In November 2015, the President of the United States announced that the federal government and federal contractors could not consider job applicants' criminal convictions in the initial stages of the employment process. Numerous other cities have similarly adopted regulations preventing inquiry into job applicants' criminal history until after it is determined they are qualified for the position.

This ordinance expands the rights afforded applicants for employment with the City's contractors and subcontractors. Specifically, such employers will be prohibited from inquiring into an employment applicant's criminal history unless and until a conditional offer of employment is made to the applicant. An employer that fails to comply with the requirements of this ordinance will be subject to, among other things, termination of its City contract.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

Sec. 10.48.1. Definitions.

The following definitions shall apply to this article:

A. **“Adverse Action”** means an Employer's withdrawal or cancellation of a Conditional Offer of Employment made to an Applicant or a failure or refusal to employ the Applicant.

B. **“Applicant”** means an individual who submits an application or other documentation for Employment.

C. **“Awarding Authority”** means any subordinate or component entity or person of the City, such as a department or Board of Commissioners that has the authority to award or enter into a Contract. This shall not include any department that has control of its own funds under Charter Section 500(c).

D. **“City”** means the City of Los Angeles and all Awarding Authorities.

E. **“Conditional Offer of Employment”** means a Contractor's or Subcontractor's offer of Employment to an Applicant conditioned only on an assessment of the Applicant's Criminal History, if any, and the duties and responsibilities of the Employment position.

F. **“Contract”** means any agreement, franchise, lease, or concession, including agreements for any occasional professional or technical personal services, for the performance of any work or service, the provision of any materials or supplies, or the rendition of any service to the City of Los Angeles or to the public, which is let, awarded or entered into with, or on behalf of, the City of Los Angeles or any awarding authority thereof.

G. **“Contractor”** means any Employer that enters into a Contract with the City.

H. **“Conviction”** means a record from any jurisdiction that includes information indicating that a person has been convicted of a felony or misdemeanor, provided that the conviction is one for which the person has been placed on probation, fined, imprisoned or paroled.

I. **“Criminal History”** means information regarding one or more Convictions, transmitted orally or in writing or by any other means, and obtained from any source, including, but not limited to, the individual to whom the information pertains and a Criminal History Report.

J. **“Criminal History Report”** means any criminal history report, including, but not limited to, those produced by the California Department of Justice, the Federal Bureau of Investigation, other law enforcement or police agencies, or courts, or by any consumer reporting agency or business or employment screening agency or business.

K. **“Designated Administrative Agency”** or **“DAA”** means the Department of Public Works, Bureau of Contract Administration, who shall bear administrative responsibilities under this article.

L. **“Employee”** means an individual who has Employment with an Employer.

M. **“Employer”** means any individual, firm, corporation, partnership, labor organization, group of persons, association, or other organization however organized, that enters into a Contract with the City, or a contract with a Contractor or Subcontractor, and that employs ten or more Employees, including the owner or owners and management and supervisory employees. “Employer” does not include any local governmental unit or any unit of the state government or the federal government.

N. **“Employment”** means any occupation, vocation, job or work performed in the City, including, but not limited to, temporary or seasonal work, part-time work, contracted work, contingent work, work on commission, and work through the services of a temporary or other employment agency, or any form of vocational or educational training with or without pay.

O. **“Fair Chance Process”** means an opportunity for an Applicant to provide information or documentation to an Employer regarding the accuracy of his/her Criminal History or Criminal History Report or that should be considered in the Employer’s assessment performed pursuant to Section 10.48.3(A), such as evidence of rehabilitation or other mitigating factors.

P. **“Inquire”** means any direct or indirect conduct intended to gather Criminal History information from or about an Applicant, using any mode of communication, including but not limited to application forms, interviews and Criminal History Reports.

Q. “**Subcontractor**” means any Employer that enters into a contract with a Contractor or Subcontractor to assist in performing the services to the City under a Contract.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

Section 10.48.2. Employment Application Procedures.

A Contractor or Subcontractor shall not include on any application for Employment any questions that seek the disclosure of an Applicant’s Criminal History.

B. Contractor or Subcontractor shall not, at any time or by any means, inquire about or require disclosure of an Applicant’s Criminal History unless and until a Conditional Offer of Employment has been made to the Applicant.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

Sec. 10.48.3. Employer Assessment of Criminal History.

A. A Contractor or Subcontractor shall not take an Adverse Action against an Applicant to whom a Conditional Offer of Employment has been made based on an Applicant’s Criminal History unless the Contractor or Subcontractor performs a written assessment that effectively links the specific aspects of the Applicant’s Criminal History with the risks inherent in the duties of the Employment position sought by the Applicant. In performing the assessment, the Contractor or Subcontractor shall, at a minimum, consider the factors identified by the United States Equal Employment Opportunity Commission and other factors as may be required by rules and guidelines promulgated by the DAA.

B. A Contractor or Subcontractor, prior to taking an Adverse Action against an Applicant, shall provide that person a Fair Chance Process, including the provision of written notification of the proposed Adverse Action, a copy of the written assessment performed pursuant to Section 10.48.3 A. and any other information or documentation supporting the Employer’s proposed Adverse Action. The Contractor or Subcontractor shall not take an Adverse Action or fill the Employment position sought by the Applicant for a period of at least five business days after the Applicant is informed of the proposed Adverse Action in order to allow the Applicant to complete the Fair Chance Process. If the Applicant provides the Contractor or Subcontractor with any information or documentation pursuant to the Fair Chance Process, then the Contractor or Subcontractor shall consider the information or documentation and perform a written reassessment of the proposed Adverse Action. If the Contractor or Subcontractor, after performing the reassessment of the proposed Adverse Action, takes an Adverse Action against the Applicant, then the Contractor or Subcontractor shall notify the Applicant of the decision and provide the Applicant with a copy of the written reassessment.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

Sec. 10.48.4. Notice and Posting Requirements for Employers.

A. Contractors and Subcontractors shall state in all solicitations or advertisements seeking Applicants for Employment that they will consider for employment qualified Applicants with Criminal Histories in a manner consistent with the requirements of this article.

B. Contractors and Subcontractors shall post a notice informing Applicants of the provisions of this article in a conspicuous place at every workplace, job site or other location in the City under the Contractor's or Subcontractor's control visited by Employment Applicants, and shall send a copy of the notice to each labor union or representative of workers with which they have a collective bargaining agreement or other agreement or understanding that is applicable to Employees in the City.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

Sec. 10.48.5. Retaliation Prohibited.

A Contractor or Subcontractor shall not discharge, reduce the compensation of, or otherwise take any adverse employment actions against any Employee for complaining to the City with regard to the Contractor's or Subcontractor's compliance or anticipated compliance with this article, for opposing any practice proscribed by this article, for participating in proceedings related to this article, for seeking to enforce his or her rights under this article by any lawful means, or for otherwise asserting any rights under this article.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

Sec. 10.48.6. Record Retention.

Contractors and Subcontractors shall retain Applicants' Employment applications and the written assessment and reassessment performed pursuant to this article for a period of three years following the receipt of an Applicant's Employment application. Contractors and Subcontractors shall, upon request, provide the records and documents or access to the records and documents to the DAA in an administrative investigation under this article.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

Sec. 10.48.7. Exceptions from Employment Application Procedures.

Sections 10.48.2, 10.48.3 and 10.48.4 A. do not apply in the following circumstances:

A. The Contractor or Subcontractor is required by law to obtain information regarding a Conviction of an Applicant.

B. The Applicant would be required to possess or use a firearm in the course of his or her Employment.

C. An individual who has been convicted of a crime is prohibited by law from holding the position sought by the Applicant, regardless of whether that conviction has been expunged, judicially ordered sealed, statutorily eradicated or judicially dismissed following probation.

D. A Contractor or Subcontractor is prohibited by law from hiring an Applicant who has been convicted of a crime.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

Sec. 10.48.8. Enforcement.

A. An Applicant for Employment or Employee alleging violation of this article may, within one year of the alleged violation, bring a civil action in a court of competent jurisdiction against a Contractor or Subcontractor, and shall be awarded the penalty set forth in this article and any other legal and/or equitable relief as may be appropriate to remedy the violation.

B. Compliance with this article shall be required in all Contracts to which it applies, and each Contract shall provide that violation of this article shall constitute a material breach thereof and entitle the City to terminate the Contract and otherwise pursue available legal remedies.

C. An Applicant for Employment with a Contractor or Subcontractor alleging violation of Sections 10.48.2, 10.48.3 or 10.48.4, or an Employee alleging violation of Section 10.48.4 or 10.48.5 may, within one year of the alleged violation, report the alleged violation to the DAA, which shall investigate the complaint. The Contractor or Subcontractor shall cooperate in such investigation. The DAA, as a part of its investigation, may request the Board of Public Works to issue a subpoena for Contractor or Subcontractor records and documents and for other books, papers, records and other items relevant to the enforcement of this article. Whether based upon a complaint or its own investigation of a violation of any of the provisions of this article, where the DAA has determined that a Contractor or Subcontractor has violated this article, the DAA shall issue a written notice to the Contractor or Subcontractor that the violation is to be corrected within ten days and impose an administrative fine as set forth in this article. In the event that the Contractor or Subcontractor has not demonstrated to the DAA that the Contractor or Subcontractor has timely cured the violation, the DAA may then:

(1) Request the Awarding Authority to declare a material breach of the Contract and exercise its contractual remedies thereunder, which are to include, but not be limited to, termination of the Contract and the return of any monies paid by the City for services not yet rendered;

(2) Request that the Awarding Authority document the determination in the Contractor Evaluation required under Los Angeles Administrative Code Section 10.39, et seq.;

(3) Require that the Contractor document the determination in each of the Contractor's subsequent Contractor Responsibility Questionnaires submitted under Los Angeles Administrative Code Section 10.40, et seq.; and/or

(4) Request the City Attorney to bring a civil action against the Contractor or Subcontractor seeking an order declaring that the Contractor or Subcontractor violated this article and/or preventing the Contractor or Subcontractor from future violations of this article.

D. The DAA shall establish rules governing the administrative process for investigation and enforcement of alleged violations and appeal of determinations of violations. The rules shall include procedures for: (i) providing notice of an alleged violation to the Contractor or Subcontractor; (ii) providing the Contractor or Subcontractor with the opportunity to respond to the notice; (iii) providing notice to the Contractor or Subcontractor and the Applicant or Employee of the DAA's determination; and (iv) providing the Contractor or Subcontractor and the Applicant or Employee the opportunity to appeal the DAA's determination to a hearing officer. The hearing officer's decision shall constitute the City's final decision, and any review of that decision shall be made by the filing of a petition for writ of mandate in the Superior Court of the County of Los Angeles under Section 1094.5 of the Code of Civil Procedure.

E. The DAA shall maintain a record of the complaints it receives alleging violations of this article and the resolution of complaints. The DAA shall compile a summary of the record of the complaints on an annual basis and report that summary to the Council.

F. Notwithstanding any provision of this Code or any other ordinance to the contrary, no criminal penalties shall attach for violation of this article.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

Sec. 10.48.9. Penalty/Administrative Fine Schedule.

A. Penalties and administrative fines for a Contractor or Subcontractor violation of any provision of this article, other than Sections 10.48.4, 10.48.6 or failure to cooperate under 10.48.8, shall be up to \$500 for the first violation, up to \$1,000 for the second violation and up to \$2,000 for the third and subsequent violations. The penalties and administrative fines for a Contractor or Subcontractor violation of Sections 10.48.4, 10.48.6 or failure to cooperate under 10.48.8 shall not exceed \$500 for each violation.

B. The amount of the penalty or administrative fine imposed may be based on the willfulness of the Contractor's or Subcontractor's action(s) and other material factors as determined by the DAA.

C. For purposes of determining the penalty or administrative fine to be imposed for Contractor or Subcontractor violations of the article may be treated as separate violations and subject to the penalty or administrative fine amounts set forth therein.

D. Administrative fines shall be payable to the City of Los Angeles and due within 30 days from the date of notice to the Employer. The failure of any Employer to pay an administrative fine within 30 days shall result in the assessment of a late fee. The amount of the late fee shall be ten percent of the total amount of the administrative fine assessed for each month the amount is unpaid, compounded to include already accrued late administrative fines that remain unpaid.

E. The failure of any Employer to pay amounts due to the City under this article when due shall constitute a debt to the City. The City may file a civil action or pursue any other legal remedy to collect such money.

F. The amount of the administrative fine paid by a Contractor or Subcontractor for a violation of this article may be awarded by the City to the Applicant or Employee up to a maximum of \$500 per violation.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

Sec. 10.48.10. Implementation.

The DAA shall promulgate guidelines and rules consistent with this article for the implementation of the provisions of this article. Guidelines and rules shall have the force and effect of law.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

Sec. 10.48.11. Conflicts.

Nothing in this article shall be interpreted or applied so as to create any requirement, power or duty in conflict with federal or state law. Specifically, the requirements of this article are not intended to limit, restrict or nullify any duty, right or obligation of an Applicant or an Employer under the Title VII of the Civil Rights Act of 1964, as amended (42 U.S.C. § 2000e, et seq.), and the enforcement guidelines promulgated by the U.S. Equal Employment Opportunity Commission.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

Sec. 10.48.12. Promotion of General Welfare.

In enacting and implementing this article, the City is assuming an undertaking only to promote the general welfare. The City is not assuming, nor is it imposing on its officers and employees, an obligation for breach of which the City or its officers and employees are liable for any damages, including monetary damages, to any person who claims that such breach proximately caused injury. This article does not create a legally enforceable right against the City.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

Sec. 10.48.13. Severability.

If any part or provision of this article, including, but not limited to, a section, subsection, paragraph, sentence, phrase or word, or the application thereof to any person or circumstance, is held invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remainder of this article. The City Council hereby declares that it would have adopted this article and each and every section, subsection, paragraph, sentence, phrase and word hereof not declared invalid or unconstitutional, without regard to whether any portion of this article would be subsequently declared invalid or unconstitutional.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

EXHIBIT G

FORM OF NO DEFAULT CERTIFICATE

This No Default Certificate (this “**Certificate**”) is furnished to The Toronto-Dominion Bank, New York Branch (the “**Bank**”) pursuant to that certain Amended and Restated Reimbursement Agreement dated as of October 15, 2021 (the “*Agreement*”), between City of Los Angeles (the “*City*”) and Bank. Unless otherwise defined herein, the terms used in this Certificate shall have the meanings assigned thereto in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the duly elected chief financial officer of the City;
2. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the System during the accounting period covered by the attached financial statements;
3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or the occurrence of any event which constitutes a Default or Event of Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate, except as set forth below;
4. To the best of my knowledge the financial statements required by Section 6.05 of the Agreement and being furnished to you concurrently with this certificate fairly represent the financial condition of the System in accordance with GAAP (subject to year end adjustments) as of the dates and for the periods covered thereby; and

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the City has taken, is taking, or proposes to take with respect to each such condition or event:

EXHIBIT G

(to Amended and Restated Reimbursement Agreement)

The foregoing certifications and the financial statements delivered with this Certificate in support hereof, are made and delivered this _____ day of _____, 20__.

CITY OF LOS ANGELES

By: _____
Name: _____
Title: _____

ATTACHMENT E

**SECOND AMENDED AND RESTATED FEE LETTER
DATED OCTOBER 15, 2021**

Reference is hereby made to that (i) certain Second Amended and Restated Reimbursement Agreement, dated as of October 15, 2021 (as amended from time to time, the “*Agreement*”), by and between the CITY OF LOS ANGELES, a municipal corporation and chartered city of the State of California (the “*City*”) and BARCLAYS BANK PLC (the “*Bank*”) relating to the City of Los Angeles Wastewater System Commercial Paper Revenue Notes, Tax-Exempt Series A-1 Notes and the Taxable Series B-1 Notes (the “*Commercial Paper Notes*”), (ii) that certain Irrevocable Transferable Direct-Pay Letter of Credit issued by the Bank on December 17, 2015, as amended by that certain Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date issued by the Bank on October 23, 2018 and that certain Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date issued by the Bank on October 15, 2021 (as further amended from time to time, the “*Letter of Credit*”), supporting the Commercial Paper Notes, the Letter of Credit Expiration Date of which is being extended by the Bank pursuant to the Agreement and (iii) that certain Amended and Restated Fee Letter dated October 23, 2018 (the “*Prior Amended and Restated Fee Letter*”), by and between the City and the Bank. The Letter of Credit was originally issued by the Bank pursuant to that certain Reimbursement Agreement, dated as of December 1, 2015, by and between the City and the Bank, which was previously amended and restated by that certain Amended and Restated Reimbursement Agreement, dated as of October 1, 2018, by and between the City and the Bank. The Prior Amended and Restated Fee Letter previously amended and restated that certain Fee Letter, dated December 17, 2015, by and between the City and the Bank. This Second Amended and Restated Fee Letter, dated October 15, 2021 (this “*Second Amended and Restated Fee Letter*”), by and between the City and the Bank, amends and restates the Prior Amended and Restated Fee Letter as of October 15, 2021 (the “*Amendment Effective Date*”). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

The City has requested that the Bank make certain modifications to the Prior Amended and Restated Fee Letter, and, for the sake of clarity and convenience, the Bank and the City wish to amend and restate the Prior Amended and Restated Fee Letter in its entirety, and accordingly, this Second Amended and Restated Fee Letter shall amend and restate the Prior Amended and Restated Fee Letter in its entirety. The purpose of this Second Amended and Restated Fee Letter is to confirm the agreement between the Bank and the City with respect to certain fees and expenses payable by the City to the Bank pursuant to the Agreement. This Second Amended and Restated Fee Letter is the Fee Letter referenced in the Agreement, and the terms hereof are incorporated by reference into the Agreement. This Second Amended and Restated Fee Letter and the Agreement are to be construed as one agreement between the City and the Bank, and all obligations hereunder are to be construed as obligations thereunder. All references to amounts due and payable under the Agreement will be deemed to include all amounts, fees and expenses payable under this Second Amended and Restated Fee Letter.

ARTICLE I.

FEES.

Section 1.1. Letter of Credit Fees. The City agrees to pay or cause to be paid to the Bank the letter of credit fee for each fee period from the Closing Date to but not including the Amendment Effective Date, as set forth in the Prior Amended and Restated Fee Letter. The City agrees to pay or cause to be paid to the Bank, on December 1, 2021, for the period commencing on (and including) the Amendment Effective Date and ending on (and including) November 30, 2021, and quarterly in arrears on the fifth Business Day of each March, June, September and December occurring thereafter to the Termination Date, and on the Termination Date (each, a “*Fee Payment Date*”), a non-refundable letter of credit fee (the “*Letter of Credit Fee*”) for each quarterly fee period, commencing on (and including) the first calendar day of the quarterly fee period immediately preceding such Fee Payment Date and ending on (and including) the last calendar day of such quarterly fee period immediately preceding such Fee Payment Date (or, in the case of the Termination Date, ending on (and including) the Termination Date), in an amount equal to the product of the rate per annum corresponding to the Level specified below associated with the Rating (as defined below) for each calendar day during each related quarterly fee period as specified below (the “*Letter of Credit Fee Rate*”) multiplied by the Stated Amount of the Letter of Credit (without regard to any temporary reductions thereof) for each calendar day during each related quarterly fee period:

(i) for the period commencing on (and including) the Amendment Effective Date, to but not including October 22, 2021, the Letter of Credit Fee Rate for such period shall be determined in accordance with the pricing matrix set forth below:

LEVEL	MOODY'S RATING	S&P RATING	FITCH RATING	LETTER OF CREDIT FEE RATE
Level 1:	Aa3 or above	AA- or above	AA- or above	0.22%
Level 2:	A1	A+	A+	0.32%
Level 3:	A2	A	A	0.42%
Level 4:	A3	A-	A-	0.52%
Level 5:	Baa1	BBB+	BBB+	0.62%
Level 6:	Baa2 or below	BBB or below	BBB or below	0.72%

(ii) for the period commencing on (and including) October 22, 2021, and at all times thereafter, the Letter of Credit Fee Rate for such period shall be determined in accordance with the pricing matrix set forth below:

LEVEL	MOODY'S RATING	S&P RATING	FITCH RATING	LETTER OF CREDIT FEE RATE
Level 1:	Aa3 or above	AA- or above	AA- or above	0.24%
Level 2:	A1	A+	A+	0.34%
Level 3:	A2	A	A	0.44%
Level 4:	A3	A-	A-	0.54%
Level 5:	Baa1	BBB+	BBB+	0.64%
Level 6:	Baa2 or below	BBB or below	BBB or below	0.74%

The term “*Rating*” as used above shall mean the long term unenhanced debt ratings assigned by any of Moody’s, S&P or Fitch to Parity Debt or any Debt of the City payable from or secured by a subordinate lien on the Revenues and (i) if Ratings are assigned by all three Rating Agencies, and two of such Ratings are equivalent, the Letter of Credit Fee Rate shall be based upon the Level in which the two equivalent Ratings appear; (ii) if Ratings are assigned by all three Ratings Agencies and no two such Ratings are equivalent, the Letter of Credit Fee Rate shall be based upon the Level in which the middle Rating appears; and (iii) if Ratings are assigned by only two Rating Agencies and such Ratings are not equivalent, the Letter of Credit Fee Rate shall be based upon the Level in which the lower Rating appears (for the avoidance of doubt, Level 6 is the lowest Level, and Level 1 is the highest Level for purposes of the above pricing grids). In the event that any Rating is suspended, withdrawn or otherwise unavailable from any Rating Agency for credit related reasons, and so long as such Rating shall remain suspended, withdrawn or unavailable or upon the occurrence and during the occurrence and continuation of an Event of Default, the Letter of Credit Fee Rate shall immediately, automatically and without notice increase by two percent (2.00%) per annum above the Letter of Credit Fee Rate set forth in Level 6 above in paragraph (ii) of this Section 1.1. Any change in the Letter of Credit Fee Rate resulting from a change in a Rating shall be and become effective as of and on the date of the announcement of the change in such Rating or the occurrence of such Event of Default. References to Ratings above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system, the Ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. The City acknowledges that as of the Amendment Effective Date the Letter of Credit Fee Rate is that specified in Level 1 in the pricing matrix in paragraph (ii) of this Section 1.1. In the event that the Letter of Credit Fees are not paid when due, interest shall accrue on the Letter of Credit Fees from the date payment is due until payment in full at the Default Rate, such interest to be payable on demand. Such Letter of Credit Fee shall be payable in immediately available funds and computed on the basis of a 360 day year and the actual number of days elapsed.

The Bank shall provide the City with an invoice for the Letter of Credit Fees at least ten (10) Business Days prior to each Fee Payment Date; provided, however, that the failure by the

Bank to provide any such invoice shall not relieve the City of its obligation to make payment of the Letter of Credit Fees hereunder.

Section 1.2. Draw Fee. The City agrees to pay to the Bank a non-refundable annual drawing fee in the amount of \$2,500, payable in advance on the Amendment Effective Date and on the first Fee Payment Date immediately following each anniversary of the Amendment Effective Date occurring thereafter.

Section 1.3. Amendment, Transfer, Waiver Fees and Other Fees and Expenses. Upon each transfer of the Letter of Credit in accordance with its terms or the appointment of a successor Issuing and Paying Agent under the Resolution, the City agrees to pay the Bank a non-refundable transfer fee of \$2,500, and to reimburse the Bank for its actual costs and expenses associated with such transfer or appointment (including, without limitation, the reasonable fees and expenses of counsel to the Bank), payable on the date of such transfer or appointment.

The City agrees to pay to the Bank on the date of each amendment, modification, or supplement of the Agreement, this Second Amended and Restated Fee Letter, the Bank Note or the Letter of Credit or any standard amendment, modification, or supplement to any Program Document which requires the waiver or consent of the Bank, a non-refundable amendment, modification, or supplement, waiver or consent fee, as applicable, in an amount to be determined by the Bank at the time of such amendment, modification, or supplement, waiver or consent, plus the reasonable fees and expenses of counsel to the Bank in connection therewith.

Section 1.4. Termination Fee; Reduction Fee. (a) Notwithstanding the foregoing or any other provision of the Agreement or this Second Amended and Restated Fee Letter to the contrary, the City agrees not to terminate, permanently reduce or replace the Letter of Credit prior to the first anniversary of the Amendment Effective Date, except upon (i) the payment by the City to the Bank of the Termination Fee or a Reduction Fee, as described below, (ii) the payment by the City to the Bank of all Obligations payable under the Agreement and this Second Amended and Restated Fee Letter and (iii) the City providing the Bank with thirty (30) days prior written notice of its intent to terminate or replace the Letter of Credit; *provided*, that any such termination of the Letter of Credit shall be in compliance with the terms and conditions of the Supplemental Resolutions, the Issuing and Paying Agent Agreement and the Agreement; *provided, further*, that no Termination Fee shall become payable if the Letter of Credit is terminated or replaced as a result of (1) a reduction of any of the Bank's senior unsecured short term ratings below "P-1" by Moody's, "A-1" by S&P or "F1" by Fitch, respectively (*provided*, that for the avoidance of doubt, the ratings referenced in this clause shall mean those ratings assigned to Barclays Bank PLC, and not ratings assigned to any other affiliate of the Bank), or (2) the Bank imposing increased costs on the City in accordance with Section 2.14 of the Agreement.

The City agrees that all payments to the Bank referred to in the preceding paragraph shall be made in immediately available funds.

(b) The City hereby agrees to pay to the Bank a Termination Fee in connection with the termination or replacement of the Letter of Credit by the City prior to the first anniversary of the Amendment Effective Date as set forth in Section 1.4(a) hereof in an amount equal to the product of (A) the Letter of Credit Fee Rate in effect pursuant to

Section 1.1 hereof on the date of termination, (B) the Stated Amount (without regard to any reductions thereof subject to reinstatement, including without limitation, by any unreimbursed Drawings) on the date of termination, and (C) a fraction, the numerator of which is equal to the number of days from and including the date of such termination to and including the first anniversary of the Amendment Effective Date and the denominator of which is 360 (the "*Termination Fee*"), payable on the date the Letter of Credit is terminated or replaced.

(c) The City hereby agrees to pay to the Bank a reduction fee in connection with each and every permanent reduction of the Stated Amount of the Letter of Credit by the City prior to the first anniversary of the Amendment Effective Date as set forth in Section 1.4(a) hereof in an amount equal to the product of (A) the Letter of Credit Fee Rate in effect pursuant to Section 1.1 hereof on the date of such permanent reduction, (B) the difference between the Stated Amount (without regard to any reductions thereof subject to reinstatement, including without limitation, by any unreimbursed Drawings) prior to such permanent reduction and the Stated Amount (without regard to any reductions thereof subject to reinstatement, including without limitation, by any unreimbursed Drawings) after such permanent reduction, and (C) a fraction, the numerator of which is equal to the number of days from and including the date of such permanent reduction to and including the first anniversary of the Amendment Effective Date and the denominator of which is 360 (the "*Reduction Fee*"), payable on the date the Stated Amount of the Letter of Credit is permanently reduced.

ARTICLE II.

MISCELLANEOUS.

Section 2.1. Expenses. The City shall promptly pay on the Amendment Effective Date, all fees and expenses of the Bank including, without limitation, the fees and expenses of special domestic counsel for the Bank in an amount not to exceed \$15,000, plus reasonable disbursements, and the fees and expenses of foreign counsel for the Bank in an amount not to exceed \$5,000, in connection with the preparation and negotiation of the Agreement and this Second Amended and Restated Fee Letter and the issuance of the Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date.

Section 2.2. Amendments. No amendment to this Second Amended and Restated Fee Letter shall become effective without the prior written consent of the City and the Bank.

Section 2.3. Governing Law. This Second Amended and Restated Fee Letter shall be governed by and construed in accordance with the laws of the State of California.

Section 2.4. Counterparts. This Second Amended and Restated Fee Letter may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument. This Second Amended and Restated Fee Letter may be delivered by the exchange of signed signature pages by facsimile transmission or by email with a pdf copy or other replicating image attached, and any printed or

copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

Section 2.5. Severability. Any provision of this Second Amended and Restated Fee Letter which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 2.6. Confidentiality. The City shall not disclose, directly or indirectly, this Second Amended and Restated Fee Letter or any of its terms to any other Person except (a) to officers, directors, employees, accountants, attorneys, agents and advisors of the City who are directly involved in the consideration of this matter and the financial advisor to the City on a confidential and need-to-know basis, (b) under compulsion of law (whether by interrogatory, subpoena, civil investigative demand or otherwise) and (c) by order of any court or governmental or regulatory body.

Section 2.7. No Disclosure. Unless required by law, the City shall not deliver or permit, authorize or consent to the delivery of this Second Amended and Restated Fee Letter to any Person for posting on the Electronic Municipal Market Access website as provided by the Municipal Securities Rulemaking Board unless the Bank provides its prior written consent.

Section 2.8. Prior Amended and Restated Fee Letter. This Second Amended and Restated Fee Letter amends and restates in its entirety the Prior Amended and Restated Fee Letter but is not intended to be or operate as a novation or an accord and satisfaction of the Prior Amended and Restated Fee Letter or the indebtedness, obligations and liabilities of the City evidenced or provided for thereunder. Reference to this specific Fee Letter need not be made in any agreement, document, instrument, letter, certificate, the Prior Amended and Restated Fee Letter itself, or any communication issued or made pursuant to or with respect to the Prior Amended and Restated Fee Letter, any reference to the Prior Amended and Restated Fee Letter being sufficient to refer the Prior Amended and Restated Fee Letter as amended and restated hereby, and more specifically, any and all references to the Fee Letter in the Agreement shall mean this Second Amended and Restated Fee Letter.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Second Amended and Restated Fee Letter to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

CITY OF LOS ANGELES

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

MICHAEL N. FEUER,
CITY ATTORNEY

By: _____

Title: Deputy/Assistant City Attorney

Date Executed: _____

BARCLAYS BANK PLC

By: _____
Name: _____
Title: _____

ATTACHMENT F

**AMENDED AND RESTATED FEE LETTER
DATED OCTOBER 15, 2021**

Reference is hereby made to that (i) certain Amended and Restated Reimbursement Agreement, dated as of October 15, 2021 (as amended, supplemented, restated or otherwise modified from time to time, the “*Agreement*”), by and between the CITY OF LOS ANGELES, a municipal corporation and chartered city of the State of California (the “*City*”) and THE TORONTO-DOMINION BANK, New York Branch (the “*Bank*”) relating to the City of Los Angeles Wastewater System Commercial Paper Revenue Notes, Tax-Exempt Series A-2 Notes and the Taxable Series B-2 Notes (the “*Commercial Paper Notes*”), (ii) that certain Irrevocable Transferable Direct-Pay Letter of Credit issued by the Bank on October 23, 2018, as amended by that certain Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date issued by the Bank on October 15, 2021 (as amended, supplemented, restated or otherwise modified from time to time, the “*Letter of Credit*”), supporting the Commercial Paper Notes, the Letter of Credit Expiration Date of which is being extended by the Bank pursuant to the Agreement and (iii) that certain Fee Letter dated October 23, 2018 (the “*Original Fee Letter*”), by and between the City and the Bank. The Letter of Credit was originally issued by the Bank pursuant to that certain Reimbursement Agreement, dated as of October 1, 2018, by and between the City and the Bank. This Amended and Restated Fee Letter, dated October 15, 2021 (this “*Amended and Restated Fee Letter*”), by and between the City and the Bank, amends and restates the Original Fee Letter in its entirety as of October 15, 2021 (the “*Amendment Effective Date*”). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

The City has requested that the Bank make certain modifications to the Original Fee Letter, and, for the sake of clarity and convenience, the Bank and the City wish to amend and restate the Original Fee Letter in its entirety, and accordingly, this Amended and Restated Fee Letter shall amend and restate the Original Fee Letter in its entirety. The purpose of this Amended and Restated Fee Letter is to confirm the agreement between the Bank and the City with respect to certain fees and expenses payable by the City to the Bank pursuant to the Agreement. This Amended and Restated Fee Letter is the Fee Letter referenced in the Agreement, and the terms hereof are incorporated by reference into the Agreement. The City acknowledges and agrees that all fees previously paid to the Bank under the Original Fee Letter were fully earned and are non-refundable. This Amended and Restated Fee Letter and the Agreement are to be construed as one agreement between the City and the Bank, and all obligations hereunder are to be construed as obligations thereunder. All references to amounts due and payable under the Agreement will be deemed to include all amounts, fees and expenses payable under this Amended and Restated Fee Letter.

ARTICLE I.

FEES.

Section 1.1. Letter of Credit Fees. The City agrees to pay or cause to be paid to the Bank the letter of credit fee for each fee period from the Closing Date to but not including the Amendment Effective Date, as set forth in the Original Fee Letter. The City agrees to pay or cause to be paid to the Bank, on December 1, 2021, for the period commencing on the Amendment Effective Date and ending on November 30, 2021, and quarterly in arrears on the fifth Business

Day of each March, June, September and December occurring thereafter to the Termination Date, and on the Termination Date (each, a “*Fee Payment Date*”), a non-refundable letter of credit fee (the “*Letter of Credit Fee*”) for each quarterly fee period, commencing on the first calendar day of the quarterly fee period immediately preceding such Fee Payment Date and ending on the last calendar day of such quarterly fee period immediately preceding such Fee Payment Date, in an amount equal to the product of the rate per annum corresponding to the Level specified below associated with the Rating (as defined below) for each calendar day during each related quarterly fee period as specified below (the “*Letter of Credit Fee Rate*”) multiplied by the Stated Amount of the Letter of Credit (without regard to any temporary reductions thereof) for each calendar day during each related quarterly fee period:

LEVEL	MOODY’S RATING	S&P RATING	FITCH RATING	LETTER OF CREDIT FEE RATE
Level 1:	Aa3 or above	AA- or above	AA- or above	0.22%
Level 2:	A1	A+	A+	0.32%
Level 3:	A2	A	A	0.47%
Level 4:	A3	A-	A-	0.62%
Level 5:	Baa1	BBB+	BBB+	0.77%
Level 6:	Baa2 or below	BBB or below	BBB or below	0.92%

The term “Rating” as used above shall mean the long term unenhanced debt ratings assigned by any of Moody’s, S&P or Fitch to Parity Debt or any Debt of the City payable from or secured by a subordinate lien on the Revenues. In the event of a split rating (*i.e.*, one of the Rating Agencies’ Rating is at a different Level than the Rating of either of the other Rating Agencies), the Letter of Credit Fee Rate shall be based upon the Level in which the lowest Rating appears (for the avoidance of doubt, Level 6 is the lowest Level, and Level 1 is the highest Level for purposes of the above pricing grid). In the event that any Rating is suspended, withdrawn or otherwise unavailable from any Rating Agency for credit related reasons, and so long as such Rating shall remain suspended, withdrawn or unavailable or upon the occurrence and during the occurrence and continuation of an Event of Default, the Letter of Credit Fee Rate shall immediately, automatically and without notice increase by 2.00% per annum above the Letter of Credit Fee Rate otherwise in effect. Any change in the Letter of Credit Fee Rate resulting from a change in a Rating shall be and become effective as of and on the date of the announcement of the change in such Rating or the occurrence of such Event of Default. References to Ratings above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system or the adoption of a “global” rating scale by any such Rating Agency, the Ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system or, in the event of the adoption of a “global” rating scale by any Rating Agency, the recalibrated or realigned rating category under such “global” rating scale, which most closely approximates the applicable rating category as currently in effect. The City acknowledges that as of the Amendment Effective Date the Letter of Credit Fee Rate is that specified in Level 1 in the pricing matrix above. In the event that the Letter of Credit Fees are not paid when due, interest shall accrue on the Letter of Credit Fees from the date payment is due until payment in full at the Default Rate, such interest to be payable on demand.

Such Letter of Credit Fee shall be payable in immediately available funds and computed on the basis of a 360 day year and the actual number of days elapsed.

The Bank shall provide the City with an invoice for the Letter of Credit Fees at least ten (10) calendar days prior to each Fee Payment Date; provided, however, that the failure by the Bank to provide any such invoice shall not relieve the City of its obligation to make payment of the Letter of Credit Fees hereunder.

Section 1.2. Draw Fee. The City agrees to pay to the Bank a non-refundable annual drawing fee in the amount of \$2,500, payable in advance on the Amendment Effective Date and on the first Fee Payment Date immediately following each anniversary of the Amendment Effective Date occurring thereafter.¹

Section 1.3. Amendment, Transfer, Waiver Fees and Other Fees and Expenses. Upon each transfer of the Letter of Credit in accordance with its terms or the appointment of a successor Issuing and Paying Agent under the Resolution, the City agrees to pay the Bank a non-refundable transfer fee of \$2,500, and to reimburse the Bank for its actual costs and expenses associated with such transfer or appointment (including, without limitation, the reasonable fees and expenses of counsel to the Bank), payable on the date of such transfer or appointment.

The City agrees to pay to the Bank on the date of each amendment, modification, or supplement of the Agreement, this Amended and Restated Fee Letter, the Bank Note or the Letter of Credit or any standard amendment, modification, or supplement to any Program Document which requires the waiver or consent of the Bank, a non-refundable amendment, modification, or supplement, waiver or consent fee, as applicable, in a minimum amount of \$2,500 (or such other amount as agreed to by the City and the Bank), plus the reasonable fees and expenses of counsel to the Bank in connection therewith; *provided, however*, that no amendment fee shall be due in connection with an extension of the Letter of Credit Expiration Date; *provided, further, however*, that in the event of an extension of the Letter of Credit Expiration Date where no other material amendment, modification or supplement to any Program Document is being made, the reasonable fees and expenses of counsel to the Bank in connection therewith shall not exceed \$5,000.

The City agrees to pay the Bank on the Closing Date actual out-of-pocket expenses incurred by the Bank as set forth in the Original Fee Letter.

Section 1.4. Termination Fee; Reduction Fee. The City agrees to pay or cause to be paid to the Bank the termination fee or reduction fee during the period from the Closing Date to but not including the Amendment Effective Date, as set forth in the Original Fee Letter. No termination Fee or reduction fee shall be payable by the City during the period from the Amendment Effective Date and thereafter.

¹ Please provide an invoice at closing.

ARTICLE II.

MISCELLANEOUS.

Section 2.1. Expenses. The City shall promptly pay on the Amendment Effective Date, all fees and expenses of the Bank including, without limitation, the fees and expenses of special domestic counsel for the Bank in an amount not to exceed \$15,000, plus reasonable disbursements, and the fees and expenses of foreign counsel for the Bank in an amount not to exceed \$5,000, in connection with the preparation of the Agreement and this Amended and Restated Fee Letter and the issuance of the Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date.

Section 2.2. Amendments. No amendment to this Amended and Restated Fee Letter shall become effective without the prior written consent of the City and the Bank.

Section 2.3. Governing Law. This Amended and Restated Fee Letter shall be governed by and construed in accordance with the laws of the State of California.

Section 2.4. Counterparts. This Amended and Restated Fee Letter may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument. This Amended and Restated Fee Letter may be delivered by the exchange of signed signature pages by facsimile transmission or by email with a pdf copy or other replicating image attached, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

Section 2.5. Severability. Any provision of this Amended and Restated Fee Letter which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 2.6. Confidentiality. The City shall not disclose, directly or indirectly, this Amended and Restated Fee Letter or any of its terms to any other Person except (a) to officers, directors, employees, accountants, attorneys, agents and advisors of the City who are directly involved in the consideration of this matter and the financial advisor to the City on a confidential and need-to-know basis, (b) under compulsion of law (whether by interrogatory, subpoena, civil investigative demand or otherwise), and (c) by order of any court or governmental or regulatory body, including any request for disclosure from the State legislature or any committee thereof.

Section 2.7. No Disclosure. Unless required by law, the City shall not deliver or permit, authorize or consent to the delivery of this Amended and Restated Fee Letter to any Dealer or any other Person for posting on the Electronic Municipal Market Access website as provided by the Municipal Securities Rulemaking Board unless the Bank provides its prior written consent.

Section 1.1. Original Fee Letter. This Amended and Restated Fee Letter amends and restates in its entirety the Original Fee Letter but is not intended to be or operate as a novation or

an accord and satisfaction of the Original Fee Letter or the indebtedness, obligations and liabilities of the City evidenced or provided for thereunder. The parties hereto agree that this Amended and Restated Fee Letter does not extinguish nor discharge the obligations of the City under the Original Fee Letter. Reference to this specific Fee Letter need not be made in any agreement, document, instrument, letter, certificate, the Original Fee Letter itself, or any communication issued or made pursuant to or with respect to the Original Fee Letter, any reference to the Original Fee Letter being sufficient to refer the Original Fee Letter as amended and restated hereby, and more specifically, any and all references to the Fee Letter in the Agreement shall mean this Amended and Restated Fee Letter.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amended and Restated Fee Letter to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

CITY OF LOS ANGELES

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

MICHAEL N. FEUER,
CITY ATTORNEY

By: _____
Title: Deputy/Assistant City Attorney
Date Executed: _____

THE TORONTO-DOMINION BANK, New York
Branch

By: _____
Name: _____
Title: _____

ATTACHMENT G

OFFERING MEMORANDUM DATED OCTOBER 14, 2021

BOOK-ENTRY ONLY

Ratings: See “RATINGS” herein

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the City, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Tax-Exempt Notes (as defined below) is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Tax-Exempt Notes is not treated as a preference item in calculating the alternative minimum tax under the Code. In addition, in the opinion of Bond Counsel to the City, interest on the Taxable Notes (as defined below) is not excludable from gross income for United States Federal income tax purposes. In addition, in the opinion of Bond Counsel to the City, under existing statutes, interest on the Commercial Paper Notes (as defined below) is exempt from State of California personal income tax. See “TAX MATTERS.”



City of Los Angeles
Wastewater System Commercial Paper Revenue Notes
\$400,000,000 Maximum Aggregate
Principal Amount Outstanding at Any Time
Tax-Exempt Series A-1 and Tax-Exempt Series A-2
Taxable Series B-1 and Taxable Series B-2

The purpose of this Offering Memorandum is to provide certain information relating to up to \$400,000,000 aggregate principal amount of the City of Los Angeles Wastewater System Commercial Paper Revenue Notes, Tax-Exempt Series A-1 (the “Tax-Exempt Series A-1 Commercial Paper Notes”), Tax-Exempt Series A-2 (the “Tax-Exempt Series A-2 Commercial Paper Notes” and, together with the Tax-Exempt Series A-1 Commercial Paper Notes and any other Series of Commercial Paper Notes designated at the time of issuance to bear interest at a tax-exempt rate, the “Tax-Exempt Notes”), Taxable Series B-1 (the “Taxable Series B-1 Commercial Paper Notes”), and Taxable Series B-2 (the “Taxable Series B-2 Commercial Paper Notes,” and together with the Taxable Series B-1 Commercial Paper Notes and any other Series of Commercial Paper Notes designated at the time of issuance to bear interest at a taxable rate, the “Taxable Notes” and together with the Tax-Exempt Notes, the “Commercial Paper Notes”). The proceeds of the Commercial Paper Notes shall be used to provide funds to finance costs of acquisition and construction of improvements to the wastewater collection and treatment system of the City of Los Angeles, California (the “City”) and other Project Costs (as defined in the Subordinate General Resolution hereinafter referred to) or to refund Commercial Paper Notes previously issued by the City and to pay costs of issuance of such Commercial Paper Notes.

The Commercial Paper Notes are offered under the authority of the City Charter, Article 6.7 of Chapter 1 of Division 11 of the Administrative Code of the City (the “Procedural Ordinance”), a Wastewater System Subordinate Revenue Bonds General Resolution adopted by the Council of the City (the “City Council”) on March 26, 1991, as amended and supplemented through the date hereof and as it may be further amended and supplemented from time to time (the “Subordinate General Resolution”) and an Amended and Restated First Supplemental Resolution adopted by the City Council on October 8, 2021 and effective on the date on which the City receives the consents and approvals from the holders of not less than 51% in aggregate principal amount of the Subordinate Bonds of all series which are directly affected by such changes in the Subordinate CP Supplemental Resolution (defined below) and on which the other requirements contained in Article XI of the Subordinate General Resolution have been satisfied, as it may be amended and supplemented from time to time (the “Subordinate CP Supplemental Resolution” and together with the Subordinate General Resolution, the “Subordinate CP Resolution”), and a Second Amended and Restated Issuing and Paying Agent Agreement, dated as of October 1, 2021 (the “Issuing and Paying Agent Agreement”), by and between the City and U.S. Bank National Association, as issuing and paying agent (the “Issuing and Paying Agent”). The maximum aggregate principal amount of Commercial Paper Notes offered by this Offering Memorandum may not exceed \$400,000,000.

By the purchase and acceptance of the Commercial Paper Notes, the Owners and Beneficial Owners of the Commercial Paper Notes are deemed to have consented to and approved the terms of the Subordinate CP Supplemental Resolution.

The investment decision to purchase a Series of Commercial Paper Notes should be made solely on the basis of the creditworthiness of the Bank that issued the applicable Letter of Credit from which will be paid all such principal of and interest on such Series of Commercial Paper Notes, rather than the City. Prospective investors should not rely on any source other than proceeds of drawings under the applicable Letter of Credit to pay such principal of and interest on such Series of Commercial Paper Notes.

The Commercial Paper Notes are special, limited obligations of the City payable from and secured by a subordinate pledge of certain Revenues derived from the ownership and operation of the wastewater collection and treatment system of the City (the “System”). The pledge of Revenues with respect to the Commercial Paper Notes is subordinate to the pledge of Revenues which secures all Senior Lien Bonds currently outstanding and those issued from time to time in the future. The pledge of Revenues with respect to the Commercial Paper Notes is on a parity with the pledge of Revenues which secures all Subordinate Bonds currently outstanding and those issued from time to time in the future.

The Tax-Exempt Series A-1 Commercial Paper Notes and the Taxable Series B-1 Commercial Paper Notes are additionally supported by an irrevocable transferable direct pay letter of credit issued by **Barclays Bank PLC** (“Barclays”) on December 17, 2015, as amended by an Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date issued by Barclays on October 23, 2018, and as further amended by an Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date to be issued by Barclays on October 15, 2021 pursuant to a Second Amended and Restated Reimbursement Agreement, dated as of October 15, 2021, with Barclays. The Tax-Exempt Series A-2 Commercial Paper Notes and the Taxable Series B-2 Commercial Paper Notes are additionally supported by an irrevocable transferable direct pay letter of credit issued by **The Toronto-Dominion Bank**, acting through its New York Branch (“Toronto-Dominion”) on October 23, 2018, as amended by an Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date to be issued by Toronto-Dominion on October 15, 2021 pursuant to an Amended and Restated Reimbursement Agreement, dated as of October 15, 2021, with Toronto-Dominion. The letter of credit issued by Barclays, as so amended, and the letter of credit issued by Toronto-Dominion, as so amended, are each referred to herein as a “Letter of Credit,” and are collectively referred to herein as the “Letters of Credit.” The Second Amended and Restated Reimbursement Agreement with Barclays and the Amended and Restated Reimbursement Agreement with Toronto-Dominion are each referred to herein as a “Reimbursement Agreement,” and are collectively referred to herein as the “Reimbursement Agreements.” Barclays and Toronto-Dominion are each a Bank and collectively the Banks (as such terms are defined herein). Pursuant to each of the Reimbursement Agreements, the respective Bank thereunder has (individually, and not on a joint basis) agreed to issue to the Issuing and Paying Agent, for the benefit of the holders of the related Series of Commercial Paper Notes, its own Letter of Credit. For the avoidance of doubt, the Letter of Credit issued by Barclays will only support the payment of the principal and interest on the Tax-Exempt Series A-1 Commercial Paper Notes and the Taxable Series B-1 Commercial Paper Notes and the Letter of Credit issued by Toronto-Dominion will only support the payment of the principal and interest on the Tax-Exempt Series A-2 Commercial Paper Notes and the Taxable Series B-2 Commercial Paper Notes. See “THE LETTERS OF CREDIT” herein.

Tax-Exempt Series A-1 and Taxable Series B-1 – Barclays Bank PLC—\$120,000,000
Tax-Exempt Series A-2 and Taxable Series B-2 – Toronto-Dominion Bank, New York Branch—280,000,000

The stated expiration date of the respective Letters of Credit issued by Barclays and Toronto-Dominion is October 30, 2024, unless terminated earlier or extended pursuant to the terms of the related Reimbursement Agreement. See “SECURITY AND SOURCE OF PAYMENT FOR THE COMMERCIAL PAPER NOTES—General” herein.

The Commercial Paper Notes shall be dated the date of their respective authentication and issuance and shall be issued in fully-registered form and when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (“DTC”) and shall be issued in minimum denominations of \$100,000 and \$1,000 increments in excess thereof. Interest on the Tax-Exempt Notes shall be calculated on the basis of a year consisting of 365 or 366 days and the actual number of days elapsed. Interest on the Taxable Notes shall be calculated on the basis of a year consisting of 360 days and the actual number of days elapsed. The Commercial Paper Notes shall mature on a business day not more than 270 days after their respective dates but in no event later than five (5) days prior to the stated expiration or termination date of the applicable Letter of Credit or any substitute credit facility. The Commercial Paper Notes are not subject to redemption prior to their maturity.

The General Fund of the City is not liable for the payment of the Commercial Paper Notes and neither the full faith and credit nor the taxing power of the City is pledged to pay the Commercial Paper Notes. The Commercial Paper Notes do not constitute a debt of the City nor a legal or equitable pledge, charge, lien or encumbrance upon any of the City’s property, or upon its income, receipts or revenue, except to the extent of the subordinate pledge of the Revenues and the pledge of amounts on deposit in the CP Debt Service Fund and the CP Construction Funds, each as described herein, proceeds of the sale of new Commercial Paper Notes and payments under the related Letter of Credit.

Barclays

As Dealers

Citigroup

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representations other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Commercial Paper Notes by a person in any jurisdiction in which it is unlawful for such person to make an offer, solicitation or sale.

This Offering Memorandum is not to be construed as a contract with the purchasers of the Commercial Paper Notes. Statements contained in this Offering Memorandum which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts.

The information set forth in this Offering Memorandum under the caption “THE BANKS” has been provided by the Banks. None of the City, the Dealers or any of their respective counsel, officers, agents or employees make any representations as to the accuracy or sufficiency of such information.

The information set forth in this Offering Memorandum has been obtained from the City, and other sources which are believed by the City to be reliable. The Dealers have provided the following sentence for inclusion in this Offering Memorandum. *The Dealers have reviewed the information in this Offering Memorandum in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Dealers do not guarantee the accuracy or completeness of such information.*

The Banks have no responsibility for the form and content of this Offering Memorandum, other than solely with respect to the information describing the respective Bank under the heading “THE BANKS—Barclays Bank PLC” or “THE BANKS — Toronto-Dominion Bank,” and neither Bank has independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Offering Memorandum or any information or disclosure contained herein or omitted herefrom, other than solely with respect to the information describing itself under the heading “THE BANKS—Barclays Bank PLC” or “THE BANKS — Toronto-Dominion Bank,” respectively.

Certain statements included or incorporated by reference in the Offering Memorandum constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Although such expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The City is not obligated to issue any updates or revisions to the forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Offering Memorandum nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City or the System since the date hereof. All summaries of the Commercial Paper Notes, the resolutions and other documents summarized herein, are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions.

CITY OF LOS ANGELES

Eric Garcetti, *Mayor*

City Council

Gilbert Cedillo (District 1)
Paul Krekorian (District 2)
Robert J. Blumenfield (District 3)
Nithya Raman (District 4)
Paul Koretz (District 5)

Nury Martinez (District 6)
Monica Rodriguez (District 7)
Marqueece Harris-Dawson (District 8)
Curren D. Price, Jr. (District 9)
Mark Ridley-Thomas (District 10)

Mike Bonin (District 11)
John Lee (District 12)
Mitch O'Farrell (District 13)
Kevin de León (District 14)
Joe Buscaino (District 15)

City Officials

Michael N. Feuer, *City Attorney*
Ron Galperin, *City Controller*
Matthew W. Szabo, *City Administrative Officer*
Diana Mangioglu, *City Treasurer*
Holly L. Wolcott, *City Clerk*

Board of Public Works

Aura Garcia, Vice President
M. Teresa Villegas, Commissioner

Greg Good, President

Michael Davis, President Pro Tempore
Jessica M. Caloza, Commissioner

Bureau of Engineering
Gary Lee Moore, P.E., ENV SP
City Engineer

Bureau of Sanitation
Barbara Romero, P.E.
Director and General Manager

Office of Accounting
Miguel De Le Peña
Director

SPECIAL SERVICES

CITY DEPARTMENT ISSUING DEBT
City Administrative Officer of the City of Los Angeles
Debt Management Group

BOND COUNSEL AND DISCLOSURE COUNSEL
Hawkins Delafield & Wood LLP

MUNICIPAL ADVISOR
Montague DeRose & Associates

ISSUING AND PAYING AGENT
U.S. Bank National Association

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OFFERING MEMORANDUM

City of Los Angeles Wastewater System Commercial Paper Revenue Notes

\$400,000,000 Maximum Aggregate Principal Amount Outstanding at Any Time Tax-Exempt Series A-1 and Tax-Exempt Series A-2 Taxable Series B-1 and Taxable Series B-2

INTRODUCTION

This introduction is not a summary of this Offering Memorandum. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Offering Memorandum, including the cover page, and appendices hereto, and the documents described herein. All statements contained in this introduction are qualified in their entirety by reference to the entire Offering Memorandum. References to, and summaries of provisions of the Constitution and laws of the State of California (the "State") and any documents referred to herein do not purport to be complete and such references are qualified in their entirety by reference to the complete provisions.

This Offering Memorandum, including the cover page and appendices hereto, is being furnished in connection with the offering, from time to time, by the City of Los Angeles, California (the "City") of up to \$400,000,000 aggregate principal amount of the City of Los Angeles Wastewater System Commercial Paper Revenue Notes Tax-Exempt Series A-1 (the "Tax-Exempt Series A-1 Commercial Paper Notes"), Tax-Exempt Series A-2 (the "Tax-Exempt Series A-2 Commercial Paper Notes" and, together with the Tax-Exempt Series A-1 Commercial Paper Notes and any other Series of Commercial Paper Notes designated at the time of issuance to bear interest at a tax-exempt rate, the "Tax-Exempt Notes"), Taxable Series B-1 (the "Taxable Series B-1 Commercial Paper Notes"), and Taxable Series B-2 (the "Taxable Series B-2 Commercial Paper Notes" and any other Series of Commercial Paper Notes designated at the time of issuance to bear interest at a taxable rate, the "Taxable Notes"). Each such issue is referred to as a Series and a Subseries and collectively are referred to as the "Commercial Paper Notes". The Commercial Paper Notes are issued under the authority of the City Charter, Article 6.7 of Chapter 1 of Division 11 of the Administrative Code of the City (the "Procedural Ordinance"), a Wastewater System Subordinate Revenue Bonds General Resolution adopted by the Council of the City (the "City Council") on March 26, 1991, as amended and supplemented through the date hereof and as it may be further amended and supplemented from time to time (the "Subordinate General Resolution") and an Amended and Restated First Supplemental Resolution adopted by the City Council on October 8, 2021 and effective on the date on which the City receives the consents and approvals from the holders of not less than 51% in aggregate principal amount of the Subordinate Bonds of all series which are directly affected by such changes in the Subordinate CP Supplemental Resolution (as defined below) and on which the other requirements contained in Article XI of the Subordinate General Resolution have been satisfied, as it may be amended and supplemented from time to time (the "Subordinate CP Supplemental Resolution" and together with the Subordinate General Resolution, the "Subordinate CP Resolution"), and a Second Amended and Restated Issuing and Paying Agent Agreement, dated as of October 1, 2021 (the "Issuing and Paying Agent Agreement"), by and between the City and U.S. Bank National Association, as issuing and paying agent (the "Issuing and Paying Agent"). Capitalized terms used herein and not defined shall have the respective meanings given such terms in the Issuing and Paying Agent Agreement.

As used in this Offering Memorandum, the following terms shall have the meanings set forth below:

“Bank” or “Related Bank” or “Banks” means, individually or collectively, as applicable: (i) with respect to the Tax-Exempt Series A-1 Commercial Paper Notes and the Taxable Series B-1 Commercial Paper Notes, Barclays, or its successors and assigns, or upon delivery of a Substitute Credit Facility with respect to the Tax-Exempt Series A-1 Commercial Paper Notes and the Taxable Series B-1 Commercial Paper Notes; (ii) with respect to the Tax-Exempt Series A-2 Commercial Paper Notes and the Taxable Series B-2 Commercial Paper Notes, Toronto-Dominion, or its successors and assigns, or upon delivery of a Substitute Credit Facility with respect to the Tax-Exempt Series A-2 Commercial Paper Notes and the Taxable Series B-2 Commercial Paper Notes; and (iii) with respect to any other Series of Commercial Paper Notes, a provider or providers of a Credit Facility with respect to such Series of Commercial Paper Notes, or its successors and assigns, or upon delivery of a Substitute Credit Facility with respect to such Series of Commercial Paper Notes, any Substitute Bank issuing a Substitute Credit Facility with respect to such Series of Commercial Paper Notes. “Related Bank” means the Bank whose Credit Facility is to support the payment of specific Series or subseries of Commercial Paper Notes.

“Bank Note” or “related Bank Note” or “Bank Notes” means, individually or collectively, as applicable, with respect to a Series of Commercial Paper Notes, the City’s promissory note or notes payable to the order of the Related Bank for such Series of Commercial Paper Notes in evidence of all reimbursement obligations due and owing to the Related Bank, and any and all modifications, amendments and supplements thereto and restatements thereof.

“Bank Noticed Termination Date” means with respect to a Series of the Commercial Paper Notes, the Tier Two Termination Date.

“Bank Noticed Termination Notice” means with respect to a Series of the Commercial Paper Notes, a Tier Two Termination Notice.

“Commitment” or “applicable Commitment” or “Commitments” means, individually or collectively, as applicable, with respect to a Series of Commercial Paper Notes, the stated maximum amount made available by the Related Bank under the Credit Facility to pay the principal of and interest on such Series of Commercial Paper Notes.

“Credit Agreement” or “applicable Credit Agreement” or “Credit Agreements” means, individually and collectively, as applicable: (i) with respect to the Tax-Exempt Series A-1 Commercial Paper Notes and the Taxable Series B-1 Commercial Paper Notes, the Second Amended and Restated Reimbursement Agreement, dated as of October 15, 2021, by and between the City and Barclays, together with any related Fee Letter, and any and all modifications, amendments and supplements thereto and restatements thereof, and upon the issuance of any Substitute Credit Facility with respect to the Tax-Exempt Series A-1 Commercial Paper Notes and the Taxable Series B-1 Commercial Paper Notes, the Substitute Credit Agreement by and between the City and the provider or providers of such Substitute Credit Facility with respect to the Tax-Exempt Series A-1 Commercial Paper Notes and the Taxable Series B-1 Commercial Paper Notes; (ii) with respect to the Tax-Exempt Series A-2 Commercial Paper Notes and the Taxable Series B-2 Commercial Paper Notes, the Amended and Restated Reimbursement Agreement, dated as of October 15, 2021, by and between the City and Toronto-Dominion, together with any related Fee Letter, and any and all modifications, amendments and supplements thereto, and upon the issuance of any

Substitute Credit Facility with respect to the Tax-Exempt Series A-2 Commercial Paper Notes and the Taxable Series B-2 Commercial Paper Notes, the Substitute Credit Agreement by and between the City and the provider or providers of such Substitute Credit Facility with respect to the Tax-Exempt Series A-2 Commercial Paper Notes and the Taxable Series B-2 Commercial Paper Notes; and (iii) with respect to any other Series of Commercial Paper Notes, the reimbursement agreement, by and between the City and the provider or providers of a Credit Facility with respect to such Series of Commercial Paper Notes, together with any related Fee Letter, and any and all modifications, amendments and supplements thereto and restatements thereof, and upon the issuance of any Substitute Credit Facility with respect to such Series of Commercial Paper Notes, the Substitute Credit Agreement by and between the City and the provider or providers of such Substitute Credit Facility with respect to such Series of Commercial Paper Notes.

“Credit Facility,” “related Credit Facility” or “applicable Credit Facility” or “Credit Facilities” means, individually and collectively, as applicable: (i) with respect to the Tax-Exempt Series A-1 Commercial Paper Notes and the Taxable Series B-1 Commercial Paper Notes, the irrevocable direct-pay letter of credit issued by Barclays, including any and all modifications, amendments and supplements thereto and restatements thereof, and upon the issuance of any Substitute Credit Facility with respect to the Tax-Exempt Series A-1 Commercial Paper Notes and the Taxable Series B-1 Commercial Paper Notes, such Substitute Credit Facility; (ii) with respect to the Tax-Exempt Series A-2 Commercial Paper Notes and the Taxable Series B-2 Commercial Paper Notes, the irrevocable direct-pay letter of credit issued by Toronto-Dominion, including any and all modifications, amendments and supplements thereto and restatements thereof, and upon the issuance of any Substitute Credit Facility with respect to the Tax-Exempt Series A-2 Commercial Paper Notes and the Taxable Series B-2 Commercial Paper Notes, such Substitute Credit Facility; and (iii) with respect to any other Series of Commercial Paper Notes, an irrevocable direct-pay letter of credit, a line or lines of credit, a noncancellable insurance policy or other credit facility provided by a provider or providers to facilitate the timely payment of the principal of and interest on such Series of Commercial Paper Notes, including any and all modifications, amendments and supplements thereto and restatements thereof, and upon the issuance of any Substitute Credit Facility with respect to such Series of Commercial Paper Notes, such Substitute Credit Facility.

“Final Drawing Notice” as used in the Subordinate CP Supplemental Resolution, means with respect to a Series of the Commercial Paper Notes, the Tier One Final Drawing Notice.

“Maximum Authorized Principal Amount” or “applicable Maximum Authorized Principal Amount” means the maximum aggregate principal amount of a Series of Commercial Paper Notes plus interest thereon calculated at the maximum rate of ten percent (10%) per annum for a period of 120 days and based upon a year of 360 days, which is fully supported by the related Credit Facility and in particular means: (i) with respect to the Tax-Exempt Series A-1 Commercial Paper Notes and the Taxable Series B-1 Commercial Paper Notes, \$120,000,000, which principal amount of such Series of Commercial Paper Notes plus interest thereon calculated at the maximum rate of ten percent (10%) per annum for a period of 120 days and based upon a year of 360 days, is fully supported by the related Credit Facility; (ii) with respect to the Tax-Exempt Series A-2 Commercial Paper Notes and the Taxable Series B-2 Commercial Paper Notes, \$280,000,000, which principal amount of such Series of Commercial Paper Notes plus interest thereon calculated at the maximum rate of ten percent (10%) per annum for a period of 120 days and based upon a year of 360 days, is fully supported by the related Credit Facility; and (iii) with respect to any other Series of Commercial Paper Notes, shall be such amount set forth in the Issuing and Paying Agent Agreement as the Maximum Authorized Principal Amount for such Series of Commercial Paper Notes, which principal amount of such Series of Commercial Paper Notes plus interest thereon calculated at the maximum rate of ten percent (10%) per annum for a period of 120 days and based upon a year of 360 days, is fully supported by the related Credit Facility; provided, however, that the aggregate amount of Maximum Authorized Principal Amounts for all Series of Commercial Paper Notes, or the “Total Maximum Authorized Principal Amount” shall not exceed \$400,000,000.

“Revised Bank Noticed Termination Date” means with respect to a Series of the Commercial Paper Notes means a Revised Tier Two Termination Date.

“Revised Bank Noticed Termination Notice” means with respect to a Series of the Commercial Paper Notes, a Revised Tier Two Termination Notice.

“Stop Issuance Instruction” as used in the Subordinate CP Supplemental Resolution, means with respect to a Series of the Commercial Paper Notes, a Tier One Stop Issuance Instruction.

“Termination Date” or “applicable Termination Date” means with respect to a Series of Commercial Paper Notes, the stated expiration or termination date of the applicable Credit Facility.

“Tier One Stop Issuance Instruction” with respect to a Series of the Commercial Paper Notes means a written instruction from the Related Bank to the City and the Issuing and Paying Agent not to issue or authenticate any additional Commercial Paper Notes of the applicable Series supported by the same Credit Facility.

“Tier One Final Drawing Notice” with respect to a Series of the Commercial Paper Notes means a written notice from the Related Bank to the City and the Issuing and Paying Agent to cease issuing any additional Commercial Paper Notes of the applicable Series supported by the same Credit Facility and instructing the Issuing and Paying Agent to make the final drawing under the applicable Credit Facility and notifying the Issuing and Paying Agent of the termination date of such Credit Facility.

“Tier Two Termination Date” with respect to a Series of the Commercial Paper Notes means the 120th day following receipt of the Tier Two Termination Notice.

“Tier Two Termination Notice” with respect to a Series of the Commercial Paper Notes means a written notice from the Related Bank to the City and the Issuing and Paying Agent not to issue or authenticate any additional Commercial Paper Notes of the applicable Series supported by the same Credit Facility with a stated maturity date later than the Tier Two Termination Date and instructing the Issuing and Paying Agent to make the final drawing under the applicable Credit Facility on the Tier Two Termination Date and notifying the Issuing and Paying Agent of the termination of such Credit Facility on the Tier Two Termination Date.

“Total Maximum Authorized Principal Amount” means \$400,000,000.

Under the Subordinate CP Resolution, the City has authorized a maximum of \$400,000,000 aggregate principal amount of subordinate wastewater system revenue bonds in the form of commercial paper notes. The maximum aggregate principal amount of Commercial Paper Notes offered by this Offering Memorandum may not exceed \$400,000,000. The aggregate principal amount of Commercial Paper Notes of a Series Outstanding at any time and interest payable upon maturity thereof shall not at any time exceed the Commitment then available under the related Credit Facility with respect to such Series of Commercial Paper Notes. The aggregate principal amount of all Commercial Paper Notes Outstanding at any time plus interest payable upon maturity thereof shall not exceed the total aggregate amount of the Commitments then available under the Credit Facilities.

The aggregate principal amount of Commercial Paper Notes of a Series Outstanding at any time shall not exceed the Maximum Authorized Principal Amount with respect to such Series of Commercial Paper Notes less the aggregate principal amount of any Advances then outstanding under the related Bank Note. The aggregate principal amount of all Commercial Paper Notes Outstanding at any one time

hereunder shall not exceed the Total Maximum Authorized Principal Amount less the aggregate principal amount of any Advances then outstanding under the Bank Notes.

The investment decision to purchase a Series of Commercial Paper Notes should be made solely on the basis of the creditworthiness of the Bank that issued the applicable Letter of Credit from which will be paid all such principal of and interest on such Series of Commercial Paper Notes, rather than the City. Prospective investors should not rely on any source other than proceeds of drawings under the applicable Letter of Credit to pay such principal of and interest on such Series of Commercial Paper Notes.

The Commercial Paper Notes are special, limited obligations of the City payable from and secured by a subordinate pledge of certain Revenues (as defined herein) derived from the ownership and operation of the wastewater collection and treatment system of the City (the “System”). The pledge of Revenues with respect to the Commercial Paper Notes is subordinate to the pledge of Revenues which secures all Senior Lien Bonds (as defined herein) currently outstanding and those issued from time to time in the future. The pledge of Revenues with respect to the Commercial Paper Notes is on a parity with the pledge of Revenues which secures all subordinate lien bonds (the “Subordinate Bonds”) currently outstanding and those issued from time to time in the future.

The Tax-Exempt Series A-1 Commercial Paper Notes and the Taxable Series B-1 Commercial Paper Notes are additionally supported by an irrevocable transferable direct pay letter of credit issued by Barclays Bank PLC (“Barclays”) on December 17, 2015, as amended by an Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date issued by Barclays on October 23, 2018, and as further amended by an Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date to be issued by Barclays on October 15, 2021 pursuant to an Amended and Restated Reimbursement Agreement, dated as of October 1, 2018, with Barclays. The Tax-Exempt Series A-2 Commercial Paper Notes and the Taxable Series B-2 Commercial Paper Notes are additionally supported by an irrevocable transferable direct pay letter of credit issued by The Toronto-Dominion Bank, acting through its New York Branch (“Toronto-Dominion”) on October 23, 2018, as amended by an Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date to be issued by Toronto-Dominion on October 15, 2021 pursuant to an Amended and Restated Reimbursement Agreement, dated as of October 15, 2021, with Toronto-Dominion. The letter of credit issued by Barclays, as so amended, and the letter of credit issued by Toronto-Dominion, as so amended, are each referred to herein as a “Letter of Credit,” and are collectively referred to herein as the “Letters of Credit.” The Second Amended and Restated Reimbursement Agreement with Barclays and the Amended and Restated Reimbursement Agreement with Toronto-Dominion are each referred to herein as a “Reimbursement Agreement,” and are collectively referred to herein as the “Reimbursement Agreements.” Barclays and Toronto-Dominion are each a “Bank,” and collectively the “Banks.” Pursuant to each of the Reimbursement Agreements the respective Bank thereunder has (individually, and not on a joint basis), agreed to issue to the Issuing and Paying Agent, for the benefit of the holders of the related Series of Commercial Paper Notes, its own Letter of Credit.

The Termination Date of each of the Letters of Credit issued by Barclays and Toronto-Dominion is October 30, 2024, unless terminated earlier or extended pursuant to the terms of the related Reimbursement Agreement. See “LETTERS OF CREDIT” herein. The City expects to request an extension of the Termination Date of each of the Letters of Credit or negotiate and enter into one or more new credit facilities to support the applicable Subseries of Commercial Paper Notes prior to the Termination Date of each of such Letters of Credit.

The City may issue wastewater system revenue bonds from time to time, the proceeds of which may be used to refund a portion of the Commercial Paper Notes then outstanding. The City may also issue additional commercial paper notes from time to time, depending on market conditions. As a result of the

adoption of a new City Charter effective on July 1, 2000, the issuance of wastewater system revenue bonds and commercial paper notes no longer requires a vote of the electorate, but can be authorized through the Procedural Ordinance.

The General Fund of the City is not liable for the payment of the Commercial Paper Notes and neither the full faith and credit nor the taxing power of the City is pledged to pay the Commercial Paper Notes. The Commercial Paper Notes do not constitute a debt of the City nor a legal or equitable pledge, charge, lien or encumbrance upon any of the City's property, or upon its income, receipts or revenue, except to the extent of the subordinate pledge of the Revenues and the pledge of amounts on deposit in the CP Debt Service Fund (as defined herein) and the CP Construction Funds (as defined herein), proceeds of the sale of new Commercial Paper Notes and payments under the related Letters of Credit.

THE COMMERCIAL PAPER NOTES

General

The Commercial Paper Notes shall be dated the date of their respective authentication and issuance and shall be issued in fully-registered form and when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC") and shall be issued in minimum denominations of \$100,000 and \$1,000 increments in excess thereof. See "BOOK-ENTRY SYSTEM" herein.

The Commercial Paper Notes shall bear interest payable at maturity at an annual rate not in excess of 10% per annum or such lesser rate permitted by the Procedural Ordinance. Interest on the Tax-Exempt Notes shall be calculated on the basis of a year consisting of 365 or 366 days and the actual number of days elapsed. Interest on the Taxable Notes shall be calculated on the basis of a year consisting of 360 days and the actual number of days elapsed. The Commercial Paper Notes (1) shall mature not later than 270 days after their respective dates, but in no event later than five (5) days prior to the Termination Date of the related Credit Facility, (2) shall mature not later than the date of issuance of a Stop Issuance Instruction from the Related Bank (until such time as the Related Bank shall have rescinded such Stop Issuance Instruction and shall have consented to the issuance of Commercial Paper Notes of such Series, in each case, by notice in writing to the Issuing and Paying Agent), the date of issuance of the Final Drawing Notice from the Related Bank or the earlier of (x) the Bank Noticed Termination Date of the related Credit Facility or (y) the Revised Bank Noticed Termination Date of the related Credit Facility (until such time as the Related Bank shall have rescinded such Bank Noticed Termination Notice (or Revised Bank Noticed Termination Notice which shall have replaced such Bank Noticed Termination Notice) and shall have consented to the issuance of Commercial Paper Notes of such Series, in each case, by notice in writing to the Issuing and Paying Agent). The Commercial Paper Notes shall be sold at a price of not less than 100% of the principal amount thereof.

The Commercial Paper Notes are not subject to redemption prior to maturity and are not subject to acceleration.

Amendment and Restatement of Amended Original First Supplemental Resolution

The terms of the Commercial Paper Notes were previously set forth in a Wastewater System Subordinate Revenue Bonds First Supplemental Resolution, adopted by the City Council on March 26, 1991 (the "Original First Supplemental Resolution"), to, among other actions, authorize the issuance of Subordinate Bonds in the form of commercial paper notes which were designated therein as the "Commercial Paper Notes." The Original First Supplemental Resolution was thereafter amended and supplemented by a Second Supplemental Resolution adopted on August 13, 1996, a Third Supplemental

Resolution adopted on September 3, 1997, a Fourth Supplemental Resolution adopted on August 15, 2000, a Sixth Supplemental Resolution adopted on January 21, 2003, a Eleventh Supplemental Resolution adopted on June 25, 2010, an Amended and Restated Fifteenth Supplemental Resolution adopted on May 7, 2013, an Eighteenth Supplemental Resolution adopted on November 25, 2015, a Twentieth Supplemental Resolution adopted on December 11, 2015 and a Twenty-Third Supplemental Resolution adopted on October 16, 2018 (collectively, the “Previous CP Supplemental Resolutions” and the Original First Supplemental Resolution, as amended by the Previous CP Supplemental Resolutions is hereafter referred to as the “Amended Original First Supplemental Resolution”). Pursuant to the Subordinate CP Supplemental Resolution, the City amended and restated the Amended Original First Supplemental Resolution to eliminate the need to amend the definitions or other terms of the Amended Original First Supplemental Resolution to conform to the mechanical provisions relating to Advances under the Credit Agreements or to conform to the repayment terms of the Credit Agreements and the Bank Notes by Supplemental Resolution in connection with each such substitution or extension, and to otherwise consolidate all of the amendments contained in the Previous CP Supplemental Resolutions. By the purchase and acceptance of the Commercial Paper Notes, the Owners and Beneficial Owners of the Commercial Paper Notes are deemed to have consented to and approved the terms of the Subordinate CP Supplemental Resolution.

SECURITY AND SOURCE OF PAYMENT FOR THE COMMERCIAL PAPER NOTES

General

The Commercial Paper Notes are payable on a subordinate basis from the Revenues derived by the City from the ownership or operation of the System and from amounts, if any, on deposit in the “CP Debt Service Fund” and the “CP Construction Funds” created pursuant to the Subordinate General Resolution. The CP Debt Service Fund currently consists of three separate accounts designated as the “CP Interest Account,” the “CP Principal Account,” and the “CP Matured Note Account.” Pursuant to the terms of the Issuing and Paying Agent Agreement, the Issuing and Paying Agent has further established within the CP Debt Service Fund a separate account designated as the “City CP Program Account” which was established for the convenience of the City and is not pledged or maintained for the benefit of the holders of the Commercial Paper Notes or any other person. Pursuant to the terms of the Issuing and Paying Agent Agreement, the Issuing and Paying Agent has further established within the CP Debt Service Fund a separate account designated as the “CP Bank Payment Account.” All Revenues (as defined herein) of the System received by the City are deposited, after collection, into the Sewer Construction and Maintenance Fund (the “SCM Fund”) held by the City Treasurer. The SCM Fund has been operated as a special fund of the City since 1970.

The Tax-Exempt Series A-1 Commercial Paper Notes and the Taxable Series B-1 Commercial Paper Notes are additionally supported by the Letter of Credit issued by Barclays. The Tax-Exempt Series A-2 Commercial Paper Notes and the Taxable Series B-2 Commercial Paper Notes are additionally supported by the Letter of Credit issued by Toronto-Dominion. See “THE LETTERS OF CREDIT” herein. For the avoidance of doubt, the Letter of Credit issued by Barclays will only support the payment of the principal and interest on the Tax-Exempt Series A-1 Commercial Paper Notes and the Taxable Series B-1 Commercial Paper Notes and the Letter of Credit issued by Toronto-Dominion will only support the payment of the principal and interest on the Tax-Exempt Series A-2 Commercial Paper Notes and the Taxable Series B-2 Commercial Paper Notes. The City expects to request an extension of the Termination Date of each of the Letters of Credit or negotiate and enter into one or more new credit facilities to support the applicable Subseries of Commercial Paper Notes prior to the Termination Date of each of such Letters of Credit.

Pursuant to the Issuing and Paying Agent Agreement, the Issuing and Paying Agent will establish within the CP Interest Account, the CP Principal Account, the CP Matured Note Account and the CP Bank Payment Account, a separate subaccount (each, a "Subaccount") for each Subseries of the Commercial Paper Notes. The proceeds of the Commercial Paper Notes of a Subseries and proceeds of drawings under the related Credit Facility are pledged to the payment of Commercial Paper Notes of the related Series. Moneys deposited into each Subaccount for a Subseries are held in trust solely to pay the principal of and interest on the Commercial Paper Notes of such Subseries and cannot be used to pay the principal of and interest on the Commercial Paper Notes of the other Subseries.

System Revenues; Senior and Other Subordinated Debt

"Revenues" are defined in the Subordinate General Resolution as all revenues of the SCM Fund and revenues otherwise attributable to the System, including, but not limited to, those revenues currently arising as a result of the imposition of sewer service charges, industrial waste surcharge and inspection fees, sewage disposal contract charges, sewerage facility charges and bonded sewer fees and all other income and receipts derived by the City from ownership or operation of the System or arising from the System and including amounts attributable to extensions, additions and improvements to the System and all other amount received by the City in payment for providing wastewater collection, treatment and/or disposal services; and all earnings received from the investment of the SCM Fund, the Debt Service Fund (as defined in the Senior Lien General Resolution, defined below), the Reserve Fund (as defined in the Senior Lien General Resolution) and the Emergency Fund (as defined in the Senior Lien General Resolution); and all earnings received on the Debt Service Funds and, if any, Reserve Funds created for Subordinate Bonds and amounts paid to the City under the Service Charges Agreements are and shall be designated as service charges and included as Revenues and are not designated for capital costs, provided, however, that Revenues shall not include: (i) any amount received from the levy or collection of taxes; (ii) amounts received under contracts or agreements with governmental or private entities and designated for capital costs; (iii) grants received from the United States of America, from the State or other political bodies; (iv) earnings on the CP Construction Funds and earnings on the Construction Funds (as defined in the Senior Lien General Resolution); (v) the proceeds of borrowings; and (vi) proceeds of insurance.

Under the provisions of the Wastewater System Revenue Bonds General Resolution adopted by the City Council on November 10, 1987, as amended and supplemented through the date hereof and as it may be further amended and supplemented from time to time (the "Senior Lien General Resolution"), the City has previously pledged and assigned the Revenues and granted a senior lien upon the Revenues to secure Wastewater System Revenue Bonds (the "Senior Lien Bonds"), including Senior Lien Bonds issued from time to time in the future. The pledge, assignment and lien on the Revenues granted to secure the Senior Lien Bonds shall, in all respects, be prior to the pledge, assignment, and lien on the Revenues granted to secure the Commercial Paper Notes and Subordinate Bonds. The Senior Lien Bonds shall be payable from the Revenues on a priority basis.

The City may issue additional Senior Lien Bonds provided certain requirements in the Senior Lien General Resolution are satisfied, including the requirement (except with respect to certain refunding bonds) that (i) Net Revenues (adjusted as provided in the Senior Lien General Resolution) for the immediately preceding Fiscal Year or for any 12 consecutive months out of the 18 consecutive months preceding the issuance of such proposed additional Senior Lien Bonds, must have been equal to at least 125% of the Maximum Annual Debt Service for all Senior Lien Bonds which will be outstanding after their issuance, and (ii) estimated Net Revenues (adjusted as provided in the Senior Lien General Resolution) for the Fiscal Year immediately following the date of issuance of such proposed additional Senior Lien Bonds, will be at least equal to at least 125% of the Maximum Annual Debt Service for all Senior Lien Bonds which will be outstanding after their issuance. "Net Revenues" are defined in the Senior Lien General Resolution and in the Subordinate General Resolution as Revenues less Expenses (as defined in the Senior Lien General

Resolution and in the Subordinate General Resolution). The City plans to continue to issue Senior Lien Bonds secured by Revenues.

In addition, the Subordinate General Resolution permits the City to issue additional commercial paper notes and Subordinate Bonds secured on a parity basis with the Commercial Paper Notes provided certain requirements are satisfied, including the requirement that the Net Revenues (adjusted as provided in the Subordinate General Resolution) for the immediately preceding Fiscal Year, or for any 12 consecutive months out of the 18 consecutive months preceding the issuance of such proposed additional Subordinate Bonds, must have been equal to at least 110% of Maximum Annual Debt Service for all Senior Lien Bonds and Subordinate Bonds which will be outstanding after their issuance. The City plans to continue to issue Subordinate Bonds secured by Revenues.

As of April 1, 2021, the City had \$[1,014,220,000] of Senior Lien Bonds outstanding (including refunding bonds) under the Senior Lien General Resolution and \$[1,704,635,000] of Subordinate Bonds outstanding under the Subordinate General Resolution. The Letters of Credit secure solely the Commercial Paper Notes offered by this Offering Memorandum and the Subordinate Bonds are not secured by or payable from the Letters of Credit. There are no Commercial Paper Notes outstanding as of the date hereof.

The City has agreed that it will at all times impose and collect rates, fees and charges at levels at least sufficient to allow it to comply with its covenants set forth in the Senior Lien General Resolution and Subordinate General Resolution. The City is required by the Senior Lien General Resolution to establish rates and charges for the use of the System to produce Net Revenues in each year at least equal to 125% of actual debt service on outstanding Senior Lien Bonds in such year. The City is also required by the Subordinate General Resolution to establish rates and charges for the use of the System to produce Net Revenues each year at least equal to 110% of actual debt service on outstanding Senior Lien Bonds and Subordinate Bonds in such year.

Rates and charges for use of the System are established by the City Council by ordinance and are not subject to regulatory approval by any other governmental entity. See also “THE SYSTEM” herein.

THE LETTERS OF CREDIT

General

The City has entered into separate Reimbursement Agreements with each Bank, pursuant to which the respective Bank has (individually but not jointly) agreed to issue to the City for the benefit of the holders of the related Subseries of Commercial Paper Notes from time to time, a Letter of Credit in the amount shown in the table below:

Subseries	Bank	Original Principal Amount of Series	Initial Stated Amount
Tax-Exempt Series A-1 and Taxable Series B-1	Barclays	\$120,000,000	\$124,000,000
Tax-Exempt Series A-2 and Taxable Series B-2	Toronto-Dominion	280,000,000	\$289,333,334

For the avoidance of doubt, the Letter of Credit issued by Barclays will only support the payment of the principal and interest on the Tax-Exempt Series A-1 Commercial Paper Notes and the Taxable Series B-1 Commercial Paper Notes and the Letter of Credit issued by Toronto-Dominion will only support the payment of the principal and interest on the Tax-Exempt Series A-2 Commercial Paper Notes and the Taxable Series B-2 Commercial Paper Notes.

Unless extended, the respective Letters of Credit issued by Barclays and Toronto-Dominion expire on October 30, 2024, or on the earlier occurrence of certain events as described below. The City expects to request the extension of the Termination Date of each of the Letters of Credit or negotiate and enter into one or more new credit facilities to support the applicable Subseries of Commercial Paper Notes prior to the Termination Date of each of such Letters of Credit.

The amended Letter of Credit issued by Barclays (hereinafter, the “Barclays Letter of Credit”) shall expire at 5:00 p.m. New York City time on the date (the “Barclays Termination Date”) which is the earliest to occur of (a) October 30, 2024 (the “Barclays Letter of Credit Expiration Date”), as such date may be extended in a notice from Barclays to the Issuing and Paying Agent and the City; (b) the date of payment of a Drawing (as defined in the Barclays Letter of Credit), not subject to reinstatement, which when added to all other Drawings honored under the Barclays Letter of Credit which were not subject to reinstatement as provided in the Barclays Letter of Credit, in the aggregate equals the Stated Amount (as defined in the Barclays Letter of Credit) on the date of issuance of the Barclays Letter of Credit as adjusted pursuant to the terms and conditions of the Barclays Letter of Credit; (c) the date on which Barclays receives a termination certificate signed by a duly authorized officer of the Issuing and Paying Agent certifying that the Issuing and Paying Agent has accepted an alternate credit facility (after Barclays honors any properly presented and conforming Drawing, if any, on such date); (d) the date on which Barclays receives a termination certificate signed by a duly authorized officer of the Issuing and Paying Agent that the Commercial Paper Notes supported by the Barclays Letter of Credit are wholly defeased or no such Commercial Paper Notes remain outstanding under the Issuing and Paying Agent Agreement and the Resolution; (e) the earlier of (i) the 15th calendar day (or if such date is not a Business Day, as defined in the Barclays Letter of Credit, the immediately succeeding Business Day) after the date on which the Issuing and Paying Agent receives the Final Drawing Notice (as defined in the Barclays Letter of Credit) from Barclays, and (ii) the date on which the Drawing resulting from the delivery of the Final Drawing Notice is honored under the Barclays Letter of Credit; or (f) the earlier of (i) the 60th day after the date on which the Issuing and Paying Agent receives a Bank Noticed Termination Notice (as defined in the Barclays Letter of Credit) from Barclays (or if such date is not a Business Day, the immediately succeeding Business Day) in respect of a Bank Noticed Termination Notice that has not been rescinded and has not been superseded by a subsequent Bank Noticed Termination Notice relating to a New Bank Noticed Termination Date (as defined in the Barclays Letter of Credit) (after Barclays honors any properly presented and conforming Drawing, if any, on such date) and (ii) the date specified in a New Bank Noticed Termination Notice (as defined in the Barclays Letter of Credit) which the Issuing and Paying Agent receives from Barclays (or if such date is not a Business Day, the immediately succeeding Business Day) in respect of a New Bank Noticed Termination Notice that has not been rescinded or superseded (after Barclays honors any properly presented and conforming Drawing, if any, on such date). All Drawings under the Barclays Letter of Credit shall be paid from immediately available funds of Barclays.

The Letter of Credit issued by Toronto-Dominion (hereinafter, the “Toronto-Dominion Letter of Credit”) shall expire at 5:00 p.m. New York City time on the date (the “Toronto-Dominion Termination Date”) which is the earliest to occur of (a) October 30, 2024 (the “Toronto-Dominion Letter of Credit Expiration Date”), as such date may be extended in a notice from Toronto-Dominion to the Issuing and Paying Agent and the City; (b) the date of payment of a Drawing (as defined in the Toronto-Dominion Letter of Credit), not subject to reinstatement, which when added to all other Drawings honored under the Toronto-Dominion Letter of Credit which were not subject to reinstatement as provided in the Toronto-Dominion Letter of Credit, in the aggregate equals the Stated Amount (as defined in the Toronto-Dominion Letter of Credit) on the date of issuance of the Toronto-Dominion Letter of Credit as adjusted pursuant to the terms and conditions of the Toronto-Dominion Letter of Credit; (c) the date on which Toronto-Dominion receives a termination certificate signed by a duly authorized officer of the Issuing and Paying Agent certifying that the Issuing and Paying Agent has accepted an alternate credit facility (after Toronto-Dominion honors any properly presented and conforming Drawing, if any, on such date); (d) the date on

which Toronto-Dominion receives a termination certificate signed by a duly authorized officer of the Issuing and Paying Agent that the Commercial Paper Notes supported by the Toronto-Dominion Letter of Credit are wholly defeased or no such Commercial Paper Notes remain outstanding under the Issuing and Paying Agent Agreement and the Resolution; (e) the earlier of (i) the 15th calendar day (or if such date is not a Business Day, as defined in the Toronto-Dominion Letter of Credit, the immediately succeeding Business Day) after the date on which the Issuing and Paying Agent receives the Final Drawing Notice (as defined in the Toronto-Dominion Letter of Credit) from Toronto-Dominion, and (ii) the date on which the Drawing resulting from the delivery of the Final Drawing Notice is honored under the Toronto-Dominion Letter of Credit; or (f) the earlier of (i) the 60th day after the date on which the Issuing and Paying Agent receives a Bank Noticed Termination Notice (as defined in the Toronto-Dominion Letter of Credit) from Toronto-Dominion (or if such date is not a Business Day, the immediately succeeding Business Day) in respect of a Bank Noticed Termination Notice that has not been rescinded and has not been superseded by a subsequent Bank Noticed Termination Notice relating to a New Bank Noticed Termination Date (as defined in the Toronto-Dominion Letter of Credit) (after Toronto-Dominion honors any properly presented and conforming Drawing, if any, on such date) and (ii) the date specified in a New Bank Noticed Termination Notice (as defined in the Toronto-Dominion Letter of Credit) which the Issuing and Paying Agent receives from Toronto-Dominion (or if such date is not a Business Day, the immediately succeeding Business Day) in respect of a New Bank Noticed Termination Notice that has not been rescinded or superseded (after Toronto-Dominion honors any properly presented and conforming Drawing, if any, on such date). All Drawings under the Toronto-Dominion Letter of Credit shall be paid from immediately available funds of Toronto-Dominion.

The related Letter of Credit may be extended at the related Bank's sole and absolute discretion by the related Bank by delivering a notice of extension to the Issuing and Paying Agent substantially in the form attached to the related Letter of Credit in response to a written request of the City to such Bank as specified in the related Reimbursement Agreement. The City may at any time and at its sole option replace either or both Letter(s) of Credit and terminate the related Bank's obligations thereunder upon 30 days prior written notice to the related Bank and to the Issuing and Paying Agent, provided the terms and conditions set forth in the Subordinate CP Resolution, the Issuing and Paying Agent Agreement and the related Reimbursement Agreement are met. Prior to the replacement of a Letter of Credit or termination of the related Bank's obligations thereunder, the City is required, among other things, pursuant to the Subordinate CP Resolution, to provide written notice to Holders of the related Series of Commercial Paper Notes of such replacement or termination. See "—Substitute Banks and Substitute Credit Facilities" below.

Events of Default and Remedies

The occurrence and continuation of one or more of the following events shall constitute an Event of Default ("Event of Default") under the related Reimbursement Agreement. Capitalized terms used in this section and not otherwise defined herein shall have the meanings ascribed thereto in the related Reimbursement Agreement.

(a) the City fails to pay, or cause to be paid, when due any principal of or interest on any Drawing or any Advance;

(b) the City fails to pay, or cause to be paid, when due any Letter of Credit Fee within thirty (30) calendar days of the date such Letter of Credit Fee is due or the City fails to pay, or cause to be paid, when due any other Obligation within thirty (30) calendar days after written notice thereof;

(c) any representation or warranty made by or on behalf of the City in the related Reimbursement Agreement or in any other Program Document or in any certificate or statement

delivered thereunder shall be incorrect or untrue in any material respect when made or deemed to have been made or delivered;

(d) the City shall default in the due performance or observance by it of any Incorporated Provision and/or default in the due performance or observance of any of certain specified covenants set forth in the related Reimbursement Agreement;

(e) the City shall (i) default in the due performance or observance of any other term, covenant or agreement contained in a specific covenant of the related Reimbursement Agreement relating to reporting requirements and such default shall remain unremedied for a period of ten (10) Business Days after the occurrence thereof and/or (ii) default in the due performance or observance of any other term, covenant or agreement contained in the related Reimbursement Agreement or any other Program Document and such default shall remain unremedied for a period of thirty (30) calendar days after the occurrence thereof;

(f) the City shall (i) have entered involuntarily against it an order for relief under the United States Bankruptcy Code, as amended, (ii) become insolvent or shall not pay, or be unable to pay, or admit in writing its inability to pay, its debts generally as they become due, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its Property (including, without limitation, the System), (v) institute any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code, as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, marshalling of assets, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (vi) take any corporate action in furtherance of any matter described in parts (i) through (v) above, or (vii) fail to contest in good faith any appointment or proceeding described in subparagraph (g) below under this subheading “Events of Default and Remedies”;

(g) a custodian, receiver, trustee, examiner, liquidator or similar official shall be appointed for the City or any substantial part of its Property (including, without limitation, the System), or a proceeding described in clause (v) of subparagraph (f) above under this subheading “Events of Default and Remedies” shall be instituted against the City and such proceeding shall continue undischarged or any such proceeding continues undismissed or unstayed for a period of thirty (30) or more calendar days;

(h) a debt moratorium, debt restructuring (other than a refinancing or refunding in the ordinary course of the City’s business), debt adjustment or comparable restriction is imposed on the repayment when due and payable of the principal of or interest on any Debt of the City by the City or any Governmental Authority with appropriate jurisdiction;

(i) (i) any provision of the related Reimbursement Agreement or any Program Document related to (A) payment of principal of or interest on the related Subseries of Commercial Paper Notes, the related Bank Note or other Obligations or any Parity Debt or Senior Debt or (B) the validity or enforceability of the pledge of the Revenues, Trust Assets or any other pledge or lien created by the Resolution shall at any time for any reason cease to be valid and binding on the City as a result of a finding or ruling by a court or Governmental Authority with competent jurisdiction, or shall be declared, in a final nonappealable judgment by any court of competent jurisdiction, to be null and void, invalid or unenforceable;

(ii) the validity or enforceability of any material provision of the related Reimbursement Agreement or any Program Document related to (A) payment of principal of or interest on the related Subseries of Commercial Paper Notes, the related Bank Note or other Obligations or any Parity Debt or Senior Debt, or (B) the validity or enforceability of the pledge of the Revenues, Trust Assets or any other pledge or lien created by the Resolution shall be publicly contested by the City; or

(iii) any other material provision of the related Reimbursement Agreement or any other Program Document, other than a provision described in clause (i) above, shall at any time for any reason cease to be valid and binding on the City as a result of a ruling or finding by a court or a Governmental Authority with competent jurisdiction or shall be declared in a final non appealable judgment by any court with competent jurisdiction to be null and void, invalid, or unenforceable, or the validity or enforceability thereof shall be publicly contested by the City;

(j) dissolution or termination of the existence of the City or the System;

(k) the City shall (i) default on the payment of the principal of or interest on any Parity Debt or Senior Debt including, without limitation, any regularly scheduled payments on Swap Agreements which constitute Parity Debt or Senior Debt, beyond the period of grace, if any, provided in the instrument or agreement under which such Parity Debt or Senior Debt was created or incurred; or (ii) default in the observance or performance of any agreement or condition relating to any Parity Debt or Senior Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist, the effect of which default, event of default or similar event or condition is to cause (determined without regard to whether any notice is required) any such Parity Debt or Senior Debt to become immediately due and payable in full or enables the holder thereof to accelerate such Parity Debt or Senior Debt (in each such case whether by acceleration, mandatory redemption or mandatory tender of such Parity Debt or Senior Debt);

(l) the City shall (i) default on the payment of the principal of or interest on any Debt secured by or payable from Revenues (other than Parity Debt or Senior Debt) including, without limitation, any regularly scheduled payments on Swap Agreements, aggregating in excess of \$10,000,000, beyond the period of grace, if any, provided in the instrument or agreement under which such Debt was created or incurred; or (ii) default in the observance or performance of any agreement or condition relating to any Debt secured by or payable from Revenues (other than Parity Debt or Senior Debt) aggregating in excess of \$10,000,000, or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist, the effect of which default, event of default or similar event or condition is to cause (determined without regard to whether any notice is required) any such Debt to become immediately due and payable in full or enables the holder thereof to accelerate such Debt (in each such case whether by acceleration, mandatory redemption or mandatory tender of such Debt);

(m) any final non-appealable judgment or judgments, writ or writs or warrant or warrants of attachment, or any similar process or processes, which are not covered in full by insurance, with written acknowledgement of such coverage having been provided by the provider of such insurance coverage to the related Bank, in an aggregate amount not less than \$25,000,000 payable from Revenues shall be entered or filed against the City or against any of its Property (including, without limitation, the System) and remain unsatisfied, unvacated, unbonded or unstayed for a period of ninety (90) calendar days;

(n) any Event of Default under any Program Document (as defined respectively therein, other than the related Reimbursement Agreement) shall have occurred;

(o) any of Fitch, Moody's or S&P shall have downgraded its rating of any long term unenhanced Parity Debt or Senior Debt of the City to below "Baa2" (or its equivalent) by Moody's or "BBB" (or its equivalent) by S&P or Fitch, or suspended or withdrawn or made unavailable any such rating for credit-related reasons;

(p) any of the funds or accounts established pursuant to the Subordinate General Resolution or any funds or accounts on deposit, or otherwise to the credit of, such funds or accounts shall become subject to any stay, writ, judgment, warrant of attachment, execution or similar process by any of the creditors of the City and such stay, writ, judgment, warrant of attachment, execution or similar process shall not be released, vacated or stayed within thirty (30) calendar days after its issue or levy;

(q) any event or condition which materially and adversely affects the financial condition of the System and the City's ability to observe and perform its obligations under the related Reimbursement Agreement and the other Program Documents shall have occurred and be continuing, and the City fails to diligently and continuously pursue, and in any case fails to complete, the cure of such event or condition within six (6) months following the occurrence thereof; or

(r) the Lien created by the Resolution or the related Reimbursement Agreement shall at any time and for any reason not constitute a valid and perfected Lien on the Trust Assets with the priority purported to be created thereby or the City shall so assert in writing.

Remedies

Upon the occurrence of an Event of Default under the related Reimbursement Agreement, the related Bank, in its sole discretion, may do any, none or all of the following. Capitalized terms used in this section and not otherwise defined herein shall have the meanings ascribed thereto in the related Reimbursement Agreement.

(a) by notice to the City, declare all Obligations to be, and such amounts shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the City; provided that upon the occurrence of an Event of Default described under subparagraphs (f), (g) and (h) under the subheading "Events of Default and Remedies" above, such acceleration shall automatically occur (unless such automatic acceleration is waived by the related Bank in writing);

(b) by notice of the occurrence of any Event of Default to the Issuing and Paying Agent (which notice shall constitute a Stop Issuance Instruction" under the related Reimbursement Agreement for purposes of the Supplemental Resolutions and the Issuing and Paying Agent Agreement) prohibit, until such time, if any, as the related Bank shall withdraw (in writing) such notice, the issuance of additional related Subseries of Commercial Paper Notes, reduce the Stated Amount of the related Letter of Credit to the principal amount of the then Outstanding related Subseries of Commercial Paper Notes supported by the related Letter of Credit and interest payable thereon at maturity of such related Subseries of Commercial Paper Notes (pursuant to an Event of Default under the related Reimbursement Agreement and Permanent Reduction Notice in the form attached to the related Letter of Credit) and/or terminate and/or permanently reduce such Stated Amount as the then Outstanding related Subseries of Commercial Paper Notes are paid;

(c) issue the Final Drawing Notice (the effect of which shall be to cause the Termination Date of the related Letter of Credit to occur on the 15th day after the date of receipt thereof by the Issuing and Paying Agent);

(d) pursue any rights and remedies it may have under the Program Documents; or

(e) pursue any other action available at law or in equity.

Substitute Banks and Substitute Credit Facilities

As used herein, the following terms shall have the meanings set forth below:

“Substitute Bank” means with respect to one or more Series of Commercial Paper Notes, a provider or providers of an applicable Substitute Credit Facility, and its successors and assigns.

“Substitute Credit Agreement” means with respect to one or more Series of Commercial Paper Notes, an irrevocable letter of credit, a line or lines of credit, a noncancellable insurance policy or other credit facility provided by a Substitute Bank to facilitate the timely payment of the principal of and interest on such Series of Commercial Paper Notes in accordance with the provisions of Section 8.02 hereof, and any and all modifications, amendments, restatements and supplements thereto, together with the reimbursement agreement executed from time to time in connection with a Substitute Credit Facility with respect to such Series of Commercial Paper Notes, together with any related Fee Letter, and any and all modifications, amendments and supplements thereto.

“Substitute Credit Facility” means with respect to one or more Series of Commercial Paper Notes, an irrevocable letter of credit, a line or lines of credit, a noncancellable insurance policy or other credit facility provided by a Substitute Bank to facilitate the timely payment of the principal of and interest on such Series of Commercial Paper Notes in accordance with the provisions of the Subordinate CP Supplemental Resolution, and any and all modifications, amendments, restatements and supplements thereto.

Pursuant to the Subordinate CP Resolution, the City may obtain a Substitute Credit Facility to replace a Credit Facility then in effect with respect to a Series of Commercial Paper Notes so long as said Substitute Credit Facility shall go into effect at least one Business Day prior to the Termination Date of such Credit Facility then in effect with respect to such Series of Commercial Paper Notes, and the Termination Date with respect to such Substitute Credit Facility shall be no earlier than the later of (i) six (6) months after its date or (ii) the Termination Date set forth in such Credit Facility then in effect with respect to such Series of Commercial Paper Notes. A Substitute Credit Facility with respect to a Series of Commercial Paper Notes shall have a Commitment sufficient to provide for the timely payment of the principal of and interest on the Commercial Paper Notes of such Series including any Commercial Paper Notes of such Series outstanding at the time of the substitution as well as any such Commercial Paper Notes of such Series issued thereafter. The following are further conditions to the City’s ability to provide a Substitute Credit Facility with respect to a Series of Commercial Paper Notes:

(a) The City shall deliver or cause to be delivered written notice of the proposed substitution to the Dealers and the Holders of the Commercial Paper Notes.

(b) There shall be delivered to the City written evidence from each Rating Agency (as such term is defined in the Subordinate General Resolution) then maintaining a rating on the Commercial Paper Notes affected by the substitution of such Bank and Credit Facility of the rating to be assigned to such affected Commercial Paper Notes upon such substitution, and in the event

(but only in the event) such substitution of such Bank and Credit Facility shall occur on a date other than a date on which either (i) no affected Commercial Paper Notes are then outstanding or (ii) all affected Commercial Paper Notes shall mature, such written evidence shall confirm that the substitution of such Bank and Credit Facility will not result in any rating then assigned to the Commercial Paper Notes being reduced or withdrawn.

(c) The City shall cause to be delivered notice of the substitution of such Bank and Credit Facility to the Municipal Securities Rulemaking Board (the “MSRB”) for the filing with the MSRB through the Electronic Municipal Market Access (“EMMA”) website of the MSRB, currently located at <http://emma.msrb.org>., at least 15 days prior to the date of the substitution or change.

(d) The City shall have paid all amounts then owed to the Related Bank which is being removed including any amounts owed on the Bank Note held by such Bank and any other amounts due under the applicable Credit Agreement.

(e) An opinion or opinions of counsel to the Substitute Bank to the effect that the Substitute Credit Facility is a legal and valid obligation of such Substitute Bank and is enforceable against such Substitute Bank in accordance with its terms and an opinion of Bond Counsel that substitution of such Credit Facility will not cause the Commercial Paper Notes to be subject to registration under the Securities Act of 1933.

THE BANKS

The following information concerning the Banks has been provided by the respective representatives of the Banks and has not been independently confirmed or verified by the City or the Dealers. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof or that the information given below or incorporated herein by reference is correct as of any time subsequent to its date.

Barclays Bank PLC

[UPDATE] The information under this subcaption “Barclays Bank PLC” was provided by Barclays for inclusion herein.

Barclays Bank PLC (the Bank, and together with its subsidiary undertakings, the Barclays Bank Group) is a public limited company registered in England and Wales under number 1026167. The liability of the members of the Bank is limited. It has its registered and head office at 1 Churchill Place, London, E14 5HP, United Kingdom (telephone number +44 (0)20 7116 1000). The Bank was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Acts 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, the Bank was re-registered as a public limited company and its name was changed from 'Barclays Bank International Limited' to 'Barclays Bank PLC'. The whole of the issued ordinary share capital of the Bank is beneficially owned by Barclays PLC. Barclays PLC (together with its subsidiary undertakings, the Group or Barclays) is the ultimate holding company of the Group. The Bank’s principal activity is to offer products and services designed for larger corporate, wholesale and international banking clients.

Barclays is a British universal bank with a diversified and connected portfolio of businesses, serving retail and wholesale customers and clients globally. The Group’s businesses include consumer banking and payment operations around the world, as well as a top-tier, full service, global consumer and

investment bank. The Group operates as two divisions – the Barclays UK division (Barclays UK) and the Barclays International division (Barclays International). These are housed in two banking subsidiaries – Barclays UK sits within Barclays Bank UK PLC and Barclays International sits within the Bank – which are supported by Barclays Execution Services Limited. Barclays Execution Services Limited is the Group-wide service company providing technology, operations and functional services to businesses across the Group.

The short term unsecured obligations of the Bank are rated A-1 by S&P Global Ratings Europe Limited, P-1 by Moody's Investors Service Ltd. and F1 by Fitch Ratings Limited and the long term unsecured unsubordinated obligations of the Bank are rated A by S&P Global Ratings Europe Limited, A1 by Moody's Investors Service Ltd. and A+ by Fitch Ratings Limited.

Based on the Barclays Bank Group's audited financial information for the year ended 31 December 2019, the Barclays Bank Group had total assets of £876,672m (2018: £877,700m), loans and advances at amortised cost of £141,636m (2018: £136,959m), total deposits of £213,881m (2018: £199,337m), and total equity of £50,615m (2018: £47,711m) (including non-controlling interests of £0 (2018: £2m)). The profit before tax of the Barclays Bank Group for the year ended 31 December 2019 was £3,112m (2018: £1,286m) after credit impairment charges of £1,202m (2018: £643m). The financial information in this paragraph is extracted from the audited consolidated financial statements of the Bank for the year ended 31 December 2019.

Barclays Bank PLC is responsible only for the information contained in this subcaption “Barclays Bank PLC” and did not participate in the preparation of, or in any way verify the information contained in, any other part of the Offering Memorandum. Accordingly, Barclays Bank PLC assumes no responsibility for and makes no representation or warranty as to the accuracy or completeness of information contained in any other part of the Offering Memorandum.

The Toronto-Dominion Bank

[UPDATE] The information under this subcaption “The Toronto-Dominion Bank” was provided by Toronto-Dominion Bank (under this subcaption “TD”) for inclusion herein.

The Toronto-Dominion Bank (“TD”) and its subsidiaries are collectively known as TD Bank Group. TD is a Schedule 1 chartered bank subject to the provisions of the Bank Act (Canada), and its head office is located in Toronto, Ontario. TD is duly licensed to operate its New York branch located at 31 West 52nd Street, New York, NY 10019.

TD offers a full range of financial products and services to more than 26 million customers worldwide through three key business lines operating in a number of locations in financial centres around the globe: Canadian Retail; U.S. Retail; and Wholesale Banking. TD had CDN\$1.5 trillion in assets on January 31, 2020. TD also ranks among the world’s leading online financial services firms, with approximately 13 million active online and mobile customers. TD trades on the Toronto and New York stock exchanges under the symbol “TD”.

TD is “a foreign private issuer” that files certain reports and other public information (“SEC Filings”) with the SEC. Copies of SEC Filings can be obtained from TD by contacting Shareholder Relations, The Toronto-Dominion Bank, P.O. Box 1, Toronto-Dominion Centre, Toronto, Ontario M5K 1A2 (telephone: 416-944-6367 or 1-866-756-8936) or at the SEC’s website at www.sec.gov.

The delivery of the information contained under this caption “—The Toronto-Dominion Bank, New York Branch” shall not create any implication that there has been no change in the affairs of TD Bank

Group since the date hereof or that the information contained or referred to under this caption “—The Toronto-Dominion Bank, New York Branch” is correct as of any time subsequent to its date. The information of TD Bank Group contained under this caption “—The Toronto-Dominion Bank, New York Branch” is furnished solely to provide limited introductory information and does not purport to be comprehensive.

THE SYSTEM

General

The City is the planning agency, owner and operator of the System. The governing body consists of the Mayor, who is chief executive of the City, and a 15-member full-time City Council, which is the legislative body. The Mayor, the members of the City Council, the City Controller and City Attorney are elected officials.

The Board of Public Works manages the Department of Public Works, which administers the City’s water pollution control policy and is responsible for operation of the following bureaus: Contract Administration, Engineering, Sanitation and Environment, Street Lighting, and Street Services. The Board of Public Works is composed of five full-time salaried members appointed by the Mayor for a term of five years.

The Board of Public Works advertises and invites proposals for bids, awards contracts for the construction of public facilities, and coordinates the issuance of certain activity permits for use of City-owned property.

Service Area

The System provides wastewater conveyance, treatment and disposal services for an area of approximately 600 square miles that includes most of the City and certain adjacent communities. The wastewater service area within the Los Angeles Basin is determined by natural drainage patterns and does not generally conform to political boundaries. Because of the economics associated with gravity flow, parts of the City are served by other agencies and the System provides wastewater service for communities outside the boundaries of the incorporated City. Areas within the City limits that are not served by the City are served by the Los Angeles County Sanitation Districts. A map of the System is provided on the next page of this Official Statement.

The System consists of two distinct service areas. A total of 515 square miles of central, western and northern areas of the City are tributary to a coastal wastewater reclamation facilities, the Hyperion Water Reclamation Plant (“HWRP”). The southern harbor area of the City, totaling 18 square miles, is tributary to the Terminal Island Water Reclamation Plant. For ease of reference, the two service areas are referred to herein as the Hyperion Service Area and the Terminal Service Area. The Hyperion Service Area serves approximately 96% of the City’s wastewater flows.

The City’s stormwater collection and conveyance system is separate from the wastewater collection and conveyance system. Stormwater is discharged into the Santa Monica Bay and Los Angeles Harbor through a series of storm drains and channels. Some dry weather urban runoff is diverted to the wastewater conveyance system for treatment at the HWRP.

Rates and Charges

System user fees are the primary source of Revenues of the System. The City's user fee system consists of a sewer service charge, industrial wastewater surcharge and fees, a sewerage facilities charge, wastewater service contracts and miscellaneous fees. In addition to the foregoing fees and charges, the City recovers the cost of System operations and maintenance (including replacement) and a portion of major capital expenditures through interest earnings and miscellaneous revenues. See also "—System Capital Improvement Program" below.

Billing and collection services for the sewer service charge are provided by the City's Department of Water and Power ("DWP"). Residential customers are predominately billed bimonthly and commercial and industrial customers are generally billed on a monthly basis. DWP prepares a single bill covering charges for water, electric, sewer, solid waste collection and recycling services, multi-family bulky item collection, and State and local taxes. Water service may be discontinued if an overdue account is not paid after appropriate customer notification.

Billings for the industrial wastewater surcharge and fees are prepared by the Bureau of Sanitation, Industrial Waste Management Division. All customers are billed quarterly in arrears except for dental offices that are billed annually in advance. The sewerage facilities charge is collected along with certain other fees as part of the building permit and sewer connection permit application procedures. Billings under the wastewater service contracts are prepared annually by the City's Department of Public Works according to the contractual obligation of each agency or entity party thereto.

The City adopted a series of annual sewer service charge rate increases effective from April 2012 through June 2021. The current rate is the last of the adopted rates. The Bureau of Sanitation performs rate evaluations annually, but in light of COVID-19 and the financial burden imposed on residents and commercial and industrial customers, combined with a consideration of an increase of the solid waste fee (which appears together with sewer service charges on consolidated customer bills), has deferred discussion of future rate adjustments until 2023. The imposition of taxes, assessments, rates and charges by the City is subject to various constitutional and statutory limitations, including the requirements of Articles XIII A, XIII B, XIII C and XIII D of the California Constitution, and are subject to reduction or repeal through the initiative process as provided in Article XIII C of the California Constitution. The City complied with the notice and hearing requirements of Articles XIII C and XIII D in setting the approved rates through Fiscal Year 2021 to which these provisions apply.

System Capital Improvement Program

The City's capital planning process reflects several levels of decision making. The long-range planning is contained in the *One Water LA 2040 Plan* (which replaced the previously known *Integrated Resources Plan* and is now commonly referred to as the *Zero Wasted Water Plan*) (the "Plan"). The purpose of the Plan is to increase sustainable water management for the City to develop a vision and implementation strategy, to more sustainably and cost-effectively manage water and identify ways for City departments and regional agencies to integrate their water management strategies. The Bureau of Sanitation and DWP led the Plan's development, partnering with other City departments, regional agencies, academia, the business community, and other stakeholders. Among the resources addressed were increased capture of stormwater, expanded uses of recycled wastewater and stormwater pollution abatement. The latter goal is addressed in a chapter of the Plan, the Wastewater Facilities Plan.

The Wastewater Facilities Plan informs the development of the Clean Water Capital Improvement Program (the "CIP"), an ongoing, ten-year, capital expenditure program. The general objectives of the CIP are to meet federal and State requirements and City policy regarding water pollution control, to provide

satisfactory levels of service to users of the System, and to maintain the integrity of the System. The projects included in the document have been approved by the City's Program Review Committee (the "PRC"), comprised of Assistant Directors of the Bureau of Sanitation and a Deputy City Engineer. The administration, coordination, and implementation of the projects in the CIP are assigned to various divisions of the Bureau of Sanitation and the Bureau of Engineering in the Department of Public Works. The CIP includes replacement, rehabilitation, water recycling and expansion of the City's water reclamation and collection system facilities. The 10-year estimated total cost of the CIP is approximately \$4.1 billion.

The CIP currently includes such improvements to the System as the installation of major interceptor sewers, the renovation or replacement of other major sewers and pumping stations, and the modernization and upgrading of wastewater treatment and water recycling facilities to, among other things, provide for the expanded availability and use of recycled water.

The Bureau of Sanitation is responsible for final decisions relating to the CIP costs and priorities. The PRC evaluates the CIP annually, and meets monthly to consider any changes affecting scope, cost, schedule, and overall implementation of CIP components. The City funds CIP projects either with existing funds on hand, by draws on its commercial paper facility or by issuing bonds. The source of funding for each CIP project is determined after review by the Bureau of Sanitation's Financial Management Division of the project type, current cash level and compliance requirements.

BOOK-ENTRY SYSTEM

The information concerning DTC and DTC's book entry system has been obtained from DTC and the City takes no responsibility for the completeness or accuracy thereof. The City cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants (as defined herein) will distribute to the Beneficial Owners (as defined herein) (a) payments of principal of or interest on the Commercial Paper Notes, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Commercial Paper Notes, or (c) any notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Commercial Paper Notes, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described herein. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

Book-Entry System

DTC will act as securities depository for the Commercial Paper Notes. The Commercial Paper Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate has been issued for each Series of the Commercial Paper Notes, in the aggregate principal amount of the Commercial Paper Notes for each Series, and is on deposit with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants

include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has been rated AA+ by S&P Global Ratings, a Standard & Poor’s Financial Services LLC business. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information set forth on such website is not incorporated herein by reference.

Purchases of the Commercial Paper Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Commercial Paper Notes on DTC’s records. The ownership interest of each actual purchaser of each Commercial Paper Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Commercial Paper Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Commercial Paper Notes, except in the event that use of the book-entry system for the Commercial Paper Notes is discontinued.

To facilitate subsequent transfers, all Commercial Paper Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Commercial Paper Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Commercial Paper Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Commercial Paper Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Commercial Paper Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Commercial Paper Notes. For example, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Commercial Paper Notes unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Commercial Paper Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of and interest on the Commercial Paper Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to

credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Issuing and Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Issuing and Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and interest on the Commercial Paper Notes to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Issuing and Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

NEITHER THE CITY, THE DEALERS NOR THE ISSUING AND PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO THE PAYMENTS OR THE PROVIDING OF NOTICE TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS.

None of the City, the Dealers nor the Issuing and Paying Agent can give any assurances that DTC, DTC Participants, Indirect Participants or others will distribute payments of principal of and interest on the Commercial Paper Notes paid to DTC or its nominee, as the registered owner, or any notice, to the Beneficial Owners or that they will do so on a timely basis or that DTC will serve and act in a manner described in this Offering Memorandum.

Discontinuation of the Book-Entry Only System

DTC may discontinue providing its services as securities depository with respect to the Commercial Paper Notes at any time by giving reasonable notice to the City or the Issuing and Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Commercial Paper Note certificates will be printed and delivered as described in the Issuing and Paying Agent Agreement.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Commercial Paper Note certificates will be printed and delivered as described in the Issuing and Paying Agent Agreement.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE COMMERCIAL PAPER NOTES, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE OWNERS OR HOLDERS OF THE COMMERCIAL PAPER NOTES (OTHER THAN UNDER THE CAPTION "TAX MATTERS" HEREIN) SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE COMMERCIAL PAPER NOTES.

NEITHER THE CITY, THE ISSUING AND PAYING AGENT, NOR THE DEALERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DTC DIRECT PARTICIPANT, OR INDIRECT PARTICIPANT; (II) THE DELIVERY OF ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE COMMERCIAL PAPER NOTES UNDER THE ISSUING AND PAYING AGENT AGREEMENT; (III) THE PAYMENT BY DTC OR ANY DTC DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST DUE WITH RESPECT TO THE COMMERCIAL PAPER NOTES; (IV)

ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED OWNER OF COMMERCIAL PAPER NOTES; OR (V) ANY OTHER MATTER.

LITIGATION

There is no controversy of any nature now pending against the City or, to the knowledge of its respective officers, threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Commercial Paper Notes or in any way contesting or affecting the validity of the Commercial Paper Notes or any proceedings of the City taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or security provided for the payment of the Commercial Paper Notes or the use of the proceeds of the Commercial Paper Notes.

The City is routinely a party to a variety of pending and threatened lawsuits and administrative proceedings, including those that may affect the SCM Fund of the City. In the view of the City, these claims and lawsuits should not result in judgments or settlements which would have a material adverse effect on the City's ability to pay debt service on the Commercial Paper Notes.

Notwithstanding such view, the City has elected to provide information on the following cases pending against the City with potential impact beyond those liabilities considered to be arising during the ordinary course of operations of the System.

Hoffman v. City. The case is a putative class action lawsuit challenging the City's calculation of the annual, fiscal year Dry Winter Compensation Factor ("DWCF") relating to residential sewer service charges. The City has utilized a "Winter Water Use" method since 1997. The method assumes that while most water delivered during the winter season to a residence is returned to the sewer system, some is used for landscape irrigation (and therefore does not go down the sewer). A residential customer's sewage volume is calculated by multiplying the resident's lowest average daily water use in winter by the DWCF. The complaint alleges the City is charging too much for residential sewer service charges based on a miscalculation of the Dry Winter Compensation Factor and seeks a refund of those "overpayments."

There are four causes of action alleged in the lawsuit (accounting, monies had and received, declaratory relief, and violation of Proposition 218/Article 13D of the California Constitution).

A court trial proceeded in this matter in February and March 2020, and the court's Statement of Decision was served on June 30, 2021. The court determined the City did not comply with the applicable Los Angeles Municipal Code Section and the Board of Public Works Rules and Regulations in setting the DWCF, and overcharged the residential customers. The court further determined that the annual DWCF determination resulted in a "new or increased fee" under Proposition 218, which mandated the City to provide customers with notice and an opportunity to protest the annual DWCF determination, which the City did not do.

A later trial (date not yet set) is anticipated to proceed on Plaintiffs' Proposition 218 "substantive violation" claim (i.e., whether Sanitation used the revenues derived from residential sewer services charges for non-sewer related purposes) and their damages.

Potential damages in this case for all causes of action will be subject to discovery and expert opinion, which has not yet been performed, but may be in excess of \$100 million, plus possible revenue loss per year.

Meckelberg v. Hyperion Water Reclamation Plant. On July 30, 2021, El Segundo resident Susan Meckelberg filed a class action complaint against the City related to the July 11, 2021 incident involving

the Hyperion Water Reclamation Plant (defined above as the HWRP). Under various tort theories (primarily negligence and nuisance), the putative class plaintiff generally alleges that the City's operation, management, supervision, control, and repairs of the HWRP have been unreasonable or problematic in a number of ways, including having ineffective emergency plans or emergency discharge prevention practices; inadequate inspections or evaluations in regard to plant safety; poor planning, prevention, or reaction to the overflow event; and failures to issue prompt notifications including to the public of the event, among other factual allegations. She alleges that the foregoing caused or contributed to the July 11, 2021 sewage discharge incident from HWRP and the alleged odors impacting the surrounding community since. The class action complaint does not seek a specific sum of damages. Since the complaint was served on August 5, 2021, the City is still evaluating the claims and there is currently no estimate as to any potential liability.

In addition to the above, the SCM Fund may be impacted as a result of potential liabilities and/or regulatory fines as a result of certain System failures.

NO CONTINUING DISCLOSURE

The offering and sale of the Commercial Paper Notes are exempt from the rules of the Securities and Exchange Commission relating to continuing disclosure of annual financial information and certain enumerated events. In connection with prior issues of the Senior Lien Bonds and Subordinate Bonds, the City has agreed to provide to the MSRB for the purposes of Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission audited financial statements of the City for the SCM Fund and other financial and operating data relating to the System and notice of certain enumerated events with respect to such Senior Lien Bonds and Subordinate Bonds. Holders of the Commercial Paper Notes may obtain from the MSRB on the EMMA website such information provided by the City in connection with such Senior Lien Bonds and Subordinate Bonds so long as any such bonds are outstanding.

The City failed to provide notice within 10 days of the incurrence of the Purchase and Assignment Agreement with the Municipal Improvement Corporation of Los Angeles and Banc of America Public Capital Corporation in accordance with the City's continuing disclosure undertakings relating to the City's 2019 Tax and Revenue Anticipation Notes and the Municipal Improvement Corporation of Los Angeles' Lease Revenue Bonds, Series 2019-A (Capital Equipment) and the Lease Revenue Refunding Bonds, Series 2019-B (Real Property). On October 24, 2019, the City filed notice of the incurrence of this agreement.

The City omitted from the annual report filed for Fiscal Year 2018 for its Wastewater System Revenue Bonds, Series 2018-A (Green Bonds) and the Wastewater System Subordinate Revenue Bonds, Refunding Series 2018-B an update to the information in the Official Statement for such bonds under the caption "LITIGATION". This information will be included in a supplement to the annual report for fiscal year ended June 30, 2019 and filed with the MSRB on the EMMA website before the due date for such report of June 30, 2020.

The City omitted from the annual reports for fiscal years 2015 through 2017 for its Solid Waste Resources Refunding Revenue Bonds, Series 2015-A a table entitled "SOLID WASTE PROGRAM – CHANGES IN OPERATING CASH." A supplement entitled "Supplement to Annual Disclosure Filings for the Annual Disclosure Filings due in 2016 through 2018" that sets forth this information has been filed with the MSRB on the EMMA website.

RATINGS

S&P Global Ratings, a Standard & Poor's Financial Services LLC business ("S&P"), assigned its rating of "A-1" to the Tax-Exempt Series A-1 Commercial Paper Notes and the Taxable Series B-1 Commercial Paper Notes based upon the issuance of the Letter of Credit supporting the payment of the

principal amount due and payable at the stated maturity of each such Series of Commercial Paper Notes and interest accrued or to accrue thereon through the maturity dates thereof by Barclays and its rating of “A-1+” to the Tax-Exempt Series A-2 Commercial Paper Notes and the Taxable Series B-2 Commercial Paper Notes based upon the issuance of the Letter of Credit supporting the payment of the principal amount due and payable at the stated maturity of each such Series of Commercial Paper Notes and interest accrued or to accrue thereon through the maturity dates thereof by Toronto-Dominion. Fitch Ratings, Inc. (“Fitch”) assigned its rating of “F1” to the Tax-Exempt Series A-1 Commercial Paper Notes and the Taxable Series B-1 Commercial Paper Notes based upon the issuance of the Letter of Credit supporting the payment of the principal amount due and payable at the stated maturity of each such Series of Commercial Paper Notes and interest accrued or to accrue thereon through the maturity dates thereof by Barclays and its rating of “F1+” to the Tax-Exempt Series A-2 Commercial Paper Notes and the Taxable Series B-2 Commercial Paper Notes based upon the issuance of the Letter of Credit supporting the payment of the principal amount due and payable at the stated maturity of each such Series of Commercial Paper Notes and interest accrued or to accrue thereon through the maturity dates thereof by Toronto-Dominion. Such ratings reflect only the views of such organizations and are not a recommendation to buy, sell or hold the Commercial Paper Notes. Explanations of the significance of such ratings may be obtained only from the respective organizations at S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, 55 Water Street, 38th Floor, New York, New York 10041, and Fitch Ratings, Inc., 33 Whitehall Street, New York, New York 10004. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such ratings will continue for any given period or that they will not be revised downward or withdrawn entirely by the respective rating agencies, if in the judgment of each such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Commercial Paper Notes.

TAX MATTERS

Tax-Exempt Notes

Opinion of Bond Counsel. In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the City, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Tax-Exempt Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Tax-Exempt Notes is not treated as a preference item in calculating the alternative minimum tax under the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the City, and others in connection with the Tax-Exempt Notes, and Bond Counsel has assumed compliance by the City with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Tax-Exempt Notes from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the City, under existing statutes, interest on the Tax-Exempt Notes is exempt from State of California personal income tax.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Tax-Exempt Notes, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion

of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Notes.

Certain Ongoing Federal Tax Requirements and Covenants. The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Tax-Exempt Notes in order that interest on the Tax-Exempt Notes be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Tax-Exempt Notes, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Tax-Exempt Notes to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The City has covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Tax-Exempt Notes from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences. The following is a brief discussion of certain collateral federal income tax matters with respect to the Tax-Exempt Notes. It does not purport to address all aspects of federal taxation that may be relevant to a particular holder of a Tax-Exempt Note. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Tax-Exempt Notes.

Prospective owners of the Tax-Exempt Notes should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Tax-Exempt Notes may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Information Reporting and Backup Withholding. Information reporting requirements apply to interest paid on tax-exempt obligations, including the Tax-Exempt Notes. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Tax-Exempt Note through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Tax-Exempt Notes from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous. Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Tax-Exempt Notes under federal or state law or otherwise prevent owners of the Tax-Exempt Notes from

realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Tax-Exempt Notes. Prospective purchasers of the Tax-Exempt Notes should consult their own tax advisors regarding the foregoing matters.

Taxable Notes

General. The following discussion is a summary of the principal United States federal income tax consequences of the acquisition, ownership and disposition of the Taxable Notes by original purchasers of the Taxable Notes who are U.S. Holders (as defined below). This summary is based on the Code, Treasury regulations, revenue rulings and court decisions, all as now in effect and all subject to change at any time, possibly with retroactive effect. This summary assumes that the Taxable Notes will be held as “capital assets” under the Code, and it does not discuss all of the United States federal income tax consequences that may be relevant to a holder in light of its particular circumstances or to holders subject to special rules, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the Taxable Notes as a position in a “hedge” or “straddle” for United States federal income tax purposes, holders whose functional currency (as defined in Section 985 of the Code) is not the United States dollar, holders who acquire Taxable Notes in the secondary market, or individuals, estates and trusts subject to the tax on unearned income imposed by Section 1411 of the Code. Each prospective purchaser of the Taxable Notes should consult with its own tax advisor concerning the United States federal income tax and other tax consequences to it of the acquisition, ownership and disposition of the Taxable Notes as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

Certain taxpayers that are required to prepare certified financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Taxable Notes at the time that such income, gain or loss is set forth on such financial statements instead of under the rules described below.

As used herein, the term “U.S. Holder” means a beneficial owner of a Taxable Note that is for United States federal income tax purposes (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

U.S. Holders—Interest Income. In the opinion of Bond Counsel, interest and OID (as defined below) on the Taxable Notes is not excludable from gross income for United States federal income tax purposes.

Note Premium. In general, if a U.S. Holder acquires a Taxable Note for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Taxable Note after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that Taxable Note (a “Premium Taxable Note”). In general, if a U.S. Holder of a Premium Taxable Note elects to amortize the premium as “amortizable bond premium” over the remaining term of the Premium Taxable Note, determined based on constant yield principles (in certain cases involving a Premium Taxable Note callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the highest yield on such bond), the amortizable premium is treated as an offset to interest income; the U.S. Holder will make a corresponding adjustment

to such holder's basis in the Premium Taxable Note. Any such election applies to all debt instruments of the U.S. Holder (other than tax-exempt bonds) held at the beginning of the first taxable year to which the election applies and to all such debt instruments thereafter acquired, and is irrevocable without the Internal Revenue Service's consent. A U.S. Holder of a Premium Taxable Note that so elects to amortize bond premium does so by offsetting the qualified stated interest allocable to each interest accrual period under the U.S. Holder's regular method of federal tax accounting against the bond premium allocable to that period. If the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is treated as a bond premium deduction under Section 171(a)(1) of the Code, subject to certain limitations. If a Premium Taxable Note is optionally callable before maturity at a price in excess of its stated redemption price at maturity, special rules may apply with respect to the amortization of bond premium. Under certain circumstances, the U.S. Holder of a Premium Taxable Note may realize a taxable gain upon disposition of the Premium Taxable Note even though it is sold or redeemed for an amount less than or equal to the U.S. Holder's original acquisition cost.

U.S. Holders of any Premium Taxable Notes should consult their own tax advisors with respect to the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, and disposition of Premium Taxable Notes.

U.S. Holders—Disposition of Taxable Notes. Except as discussed above, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a Taxable Note, a U.S. Holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such U.S. Holder's adjusted tax basis in the Taxable Note. A U.S. Holder's adjusted tax basis in a Taxable Note generally will equal such U.S. Holder's initial investment in the Taxable Note, increased by any OID included in the U.S. Holder's income with respect to the Taxable Note and decreased by the amount of any payments, other than qualified stated interest payments, received and bond premium amortized with respect to such Taxable Note. Such gain or loss generally will be long-term capital gain or loss if the Taxable Note was held for more than one year.

U.S. Holders—Defeasance. U.S. Holders of the Taxable Notes should be aware that, for federal income tax purposes, the deposit of moneys or securities in escrow in such amount and manner as to cause the Taxable Notes to be deemed to be no longer outstanding under the Series 2020A-3 Indenture (a "defeasance"), could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, for federal income tax purposes, the character and timing of receipt of payments on the Taxable Notes subsequent to any such defeasance could also be affected. U.S. Holders of the Taxable Notes are advised to consult with their own tax advisors regarding the consequences of a defeasance for federal income tax purposes, and for state and local tax purposes.

U.S. Holders—Backup Withholding and Information Reporting. In general, information reporting requirements will apply to non-corporate U.S. Holders with respect to payments of principal, payments of interest, and the accrual of OID on a Taxable Note and the proceeds of the sale of a Taxable Note before maturity within the United States. Backup withholding will apply to such payments and to payments of OID unless the U.S. Holder (i) is a corporation or other exempt recipient and, when required, demonstrates that fact, or (ii) provides a correct taxpayer identification number, certifies under penalties of perjury, when required, that such U.S. Holder is not subject to backup withholding and has not been notified by the Internal Revenue Service that it has failed to report all interest and dividends required to be shown on its United States federal income tax returns.

Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner's United States federal income tax provided the required information is furnished to the Internal Revenue Service.

Miscellaneous. Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, could affect the market price or marketability of the Taxable Notes. Prospective purchasers of the Taxable Notes should consult their own tax advisors regarding the foregoing matters.

State Tax Exemption. In the opinion of Bond Counsel, under existing law interest on the Taxable Notes is exempt from personal income taxes of the State of California.

THE DEALERS

The City has appointed Barclays Capital Inc. and Citigroup Global Markets Inc. each as a non-exclusive dealer with respect to the offering and sale of the Commercial Paper Notes. Under the respective Dealer Agreements, the Dealers have no commitment to purchase any of the Commercial Paper Notes and are obligated only to use their best efforts as agents of the City to solicit and arrange sales of the Commercial Paper Notes on behalf of the City.

The Dealers may from time to time have a long or short position in, and buy or sell and make a market in, securities of the City and its affiliates. The Dealers from time to time may act as manager or co-manager of a public offering of such securities and perform investment banking and other services to the issuer of such securities.

MUNICIPAL ADVISOR

Montague DeRose & Associates (the "Municipal Advisor") has served as municipal advisor to the City in connection with the authorization and issuance of the Commercial Paper Notes. The Municipal Advisor has assisted the City in matters relating to the planning, structuring and issuance of the Commercial Paper Notes. The Municipal Advisor has not audited, authenticated or otherwise independently verified the information set forth in the Offering Memorandum, or any other related information available to the City, with respect to accuracy and completeness of disclosure of such information. The Municipal Advisor makes no guaranty, warranty or other representation respecting accuracy and completeness of the Offering Memorandum.

LEGAL MATTERS

Hawkins Delafield & Wood LLP, Los Angeles, California, Bond Counsel to the City, will render its legal opinion with respect to the validity of the Commercial Paper Notes. A copy of the approving opinion of Bond Counsel is attached as APPENDIX A. Certain legal matters will be passed upon for the City by the City Attorney of the City of Los Angeles.

FURTHER INFORMATION AVAILABLE

The descriptions of and references to the Subordinate General Resolution, the Subordinate CP Supplemental Resolution, the Senior Lien General Resolution, the Issuing and Paying Agent Agreement, the Letters of Credit and the Reimbursement Agreements and other documents referred to herein do not purport to be complete or definitive, and such references to and description of such documents and all other documents and other items described herein are qualified in their entirety by reference to each such

document and item. Reference is made to the legal documents listed above for the definitions of capitalized terms used and not otherwise defined herein.

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Offering Memorandum nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City or the System since the date hereof. Any statements in this Offering Memorandum involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

Copies of the Subordinate General Resolution, the Subordinate CP Supplemental Resolution, the Senior Lien General Resolution, the Issuing and Paying Agent Agreement and the forms of the Letters of Credit and the Reimbursement Agreements may be obtained from the City through the Dealers and from the City at the following address:

City of Los Angeles
Office of the City Administrative Officer
200 North Main Street, Room 1500
City Hall East
Los Angeles, California 90012
Attention: Debt Management Group
(213) 473-7500

APPENDIX A

FORM OF APPROVING OPINION OF BOND COUNSEL

Upon the issuance of the Commercial Paper Notes, Hawkins Delafield & Wood LLP, Bond Counsel to The City of Los Angeles, will issue its approving opinion in substantially the following form:

City of Los Angeles
Los Angeles, California

Ladies and Gentlemen:

We have acted as Bond Counsel to the City of Los Angeles, California (the “City”) in connection with the issuance and delivery from time to time of its Wastewater System Commercial Paper Revenue Notes (the “Commercial Paper Notes”) in an aggregate principal amount outstanding at any time of up to \$400,000,000 aggregate principal amount of Wastewater System Commercial Paper Revenue Notes, Tax-Exempt Series A-1 (the “Tax-Exempt Series A-1 Commercial Paper Notes”), Tax-Exempt Series A-2 (the “Tax-Exempt Series A-2 Commercial Paper Notes” and, together with the Tax-Exempt Series A-1 Commercial Paper Notes, the “Tax-Exempt Notes”), Taxable Series B-1 (the “Taxable Series B-1 Commercial Paper Notes”), and Taxable Series B-2 (the “Taxable Series B-2 Commercial Paper Notes,” and together with the Taxable Series B-1 Commercial Paper Notes, the “Taxable Notes”). The Tax-Exempt Notes and Taxable Notes are collectively referred to herein as the “Commercial Paper Notes.” The Commercial Paper Notes are authorized to be issued, from time to time, pursuant to the Charter of the City (the “Charter”), Article 6.7 of Chapter 1 of Division 11 of the Administrative Code of the City (the “Procedural Ordinance”), a Wastewater System Subordinate Revenue Bonds General Resolution adopted by the Council of the City (the “City Council”) on March 26, 1991, as amended and supplemented through the date hereof and as it may be further amended and supplemented from time to time (the “Subordinate General Resolution”) and an Amended and Restated First Supplemental Resolution adopted by the City Council on October 8, 2021, as it may be amended and supplemented from time to time (the “Subordinate CP Supplemental Resolution” and together with the Subordinate General Resolution, the “Subordinate CP Resolution”), and a Second Amended and Restated Issuing and Paying Agent Agreement, dated as of October 1, 2021 (the “Issuing and Paying Agent Agreement”), by and between the City and U.S. Bank National Association, as issuing and paying agent (the “Issuing and Paying Agent”).

The Tax-Exempt Series A-1 Commercial Paper Notes and the Taxable Series B-1 Commercial Paper Notes are additionally secured by an irrevocable transferable direct pay letter of credit issued by Barclays Bank PLC (“Barclays”) on December 17, 2015, as amended by an Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date issued by Barclays on October 23, 2018, and as further amended by an Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date issued by Barclays on October 15, 2021 pursuant to a Second Amended and Restated Reimbursement Agreement, dated as of October 15, 2021, by and between the City and Barclays. The Tax-Exempt Series A-2 Commercial Paper Notes and the Taxable Series B-2 Commercial Paper Notes are additionally secured by an irrevocable transferable direct pay letter of credit issued by The Toronto-Dominion Bank, acting through its New York Branch (“Toronto-Dominion”) on October 23, 2018, as amended by an Omnibus Amendment and Notice of Extension of Letter of Credit Expiration Date issued by Toronto-Dominion on October 15, 2021 pursuant to an Amended and Restated Reimbursement Agreement, dated as of October 15, 2021, by and between the City and Toronto-Dominion. The letter of credit issued by Barclays, as so amended, and the letter of credit issued by Toronto-Dominion, as so amended, are each referred to herein as a “Letter of Credit,” and are collectively referred to herein as the “Letters of Credit.” The Second Amended and Restated Reimbursement Agreement with Barclays and the Amended and Restated

Reimbursement Agreement with Toronto-Dominion are each referred to herein as a “Reimbursement Agreement,” and are collectively referred to herein as the “Reimbursement Agreements.” Barclays and Toronto-Dominion are each referred to herein as a “Bank,” and are collectively referred to herein as the “Banks.” Pursuant to each Reimbursement Agreement, the respective Bank thereunder has issued to the Issuing and Paying Agent, for the benefit of the holders of the related Series of Commercial Paper Notes, its respective Letter of Credit.

In rendering this opinion, we have reviewed the record of the actions taken by the City in connection with the issuance and delivery of the Commercial Paper Notes. We have examined and relied on originals or copies, certified or otherwise identified to our satisfaction, of such documents, instruments, or corporate records, and have made such investigation of law, as we have considered necessary or appropriate for the purpose of this opinion.

We are of the opinion that:

1. The Commercial Paper Notes constitute the valid and binding special, limited obligations of the City.
2. The Commercial Paper Notes are payable exclusively from and are secured by a pledge of and lien upon Revenues and certain amounts held under or pursuant to the Subordinate CP Resolution and the Issuing and Paying Agent Agreement. The pledge, assignment and lien on the Revenues granted pursuant to the Senior Lien Resolution to secure Senior Lien Bonds (as defined in the Subordinate CP Resolution) is in all respects prior to the pledge, assignment and lien on the Revenues granted by the Subordinate CP Resolution to secure the Commercial Paper Notes and all other Subordinate Bonds (as defined in the Subordinate CP Resolution). The general fund of the City is not liable, and the credit or taxing power of the City is not pledged, for the payment of the Commercial Paper Notes or the interest thereon.
3. The Subordinate CP Resolution has been duly adopted by the City Council and constitutes the valid and binding obligation of the City. The Subordinate CP Resolution creates a valid pledge, to secure the payment of the principal of and the interest on the Commercial Paper Notes, of the Revenues of the City, and certain other amounts held by the City under the Subordinate CP Resolution and the Issuing and Paying Agent Agreement, subject to the provisions of the Subordinate CP Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein and subject to the prior pledge and assignment thereof granted by the General Resolution to secure the Senior Lien Bonds.
4. Under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described below, (i) interest on the Tax-Exempt Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Tax-Exempt Notes is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code.

The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the Tax-Exempt Notes in order that, for federal income tax purposes, interest on the Tax-Exempt Notes be not included in gross income pursuant to Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Tax-Exempt Notes, restrictions on the investment of proceeds of the Tax-Exempt Notes prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause interest on the Tax-Exempt Notes to become subject to federal income taxation retroactive to their date of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date hereof, the City will execute a Tax Certificate (the “Tax Certificate”) containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the City covenants that it will comply with the provisions and procedures set forth therein and that they will do and perform all acts and things necessary or desirable to assure that interest paid on the Tax-Exempt Notes will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in paragraph 4 hereof, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectation, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of interest paid on the Tax-Exempt Notes, and (ii) compliance by the City with the procedures and covenants set forth in the Tax Certificate as to such tax matters.

5. Interest on the Taxable Notes is not excludable from gross income for United States federal income tax purposes.

6. Under existing statutes, interest on the Commercial Paper Notes is exempt from State of California personal income taxes.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Commercial Paper Notes, or the ownership or disposition thereof, except as stated in paragraphs 4, 5 and 6 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Commercial Paper Notes.

This letter is furnished by us as Bond Counsel and is solely for your benefit and it is not to be used, circulated, quoted, or otherwise referred to for any purposes other than the issuance and delivery of the Commercial Paper Notes and may not be relied upon by any other person or entity without our express written permission, except that references may be made to it in any list of closing documents pertaining to the issuance and delivery of the Commercial Paper Notes.

The foregoing opinions are qualified to the extent that the enforceability of the Commercial Paper Notes, the Subordinate CP Resolution and the Tax Certificate may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditors’ rights or remedies and are subject to general principles of equity (regardless of whether such enforceability is considered in equity or at law), and to the limitations on legal remedies against governmental entities in the State of California (including, but not limited to, rights of indemnification). In addition, the imposition of certain fees and charges by the City relating to the System is subject to the provisions of Articles XIII C and XIII D of the California Constitution.

We express no opinion herein as Bond Counsel regarding the accuracy, adequacy or completeness of the Offering Memorandum relating to the Commercial Paper Notes.

You may rely on this opinion as to any Tax-Exempt Notes issued on or after the date hereof to the extent that, at the date of issuance of such Tax-Exempt Notes, (i) we have not advised you that this opinion may no longer be relied upon with respect to such Tax-Exempt Notes, (ii) there is no change or proposed change in pertinent law, including rulings and interpretations of law by the Internal Revenue Service, from that in effect on the date hereof, (iii) the facts upon which this opinion is based do not change in any way

material to this opinion, (iv) the representations, warranties and covenants contained in the Subordinate CP Resolution, the Tax Certificate and any supplemental tax certificates thereto, and other documents executed and delivered by the City in connection with the Commercial Paper Notes and the certificates executed and delivered by the City in connection with the Tax-Exempt Notes remain true and correct and the City continue to comply with their respective covenants in such documents and certificates, (v) no amendment has been made to the Subordinate CP Resolution, the Issuing and Paying Agent Agreement, any of the Letters of Credit or the Reimbursement Agreements or any of the Tax-Exempt Notes without our prior written consent, and (vi) no litigation affecting the issuance, legality, validity or enforceability in accordance with their respective terms of, or the exemption from federal income taxation of interest on, the Tax-Exempt Notes is pending or threatened at the time of delivery of any such Tax-Exempt Notes. We undertake no obligation to determine, at any time, whether the conditions described in this paragraph have been met.

Very truly yours,

ATTACHMENT H

**SECOND AMENDED AND RESTATED
ISSUING AND PAYING AGENT AGREEMENT**

U.S. Bank National Association
100 Wall Street, Suite 600
New York, New York 10005
Attention: Global Corporate Trust Services

\$400,000,000 Maximum
Principal Amount Outstanding
From Time to Time
City of Los Angeles
Wastewater System
Commercial Paper Revenue Notes

Ladies and Gentlemen:

This Second Amended and Restated Issuing and Paying Agent Agreement dated as of October 1, 2021 (the “Agreement”) will set forth the understandings reached between you, U.S. BANK NATIONAL ASSOCIATION, as issuing and paying agent (“you” and the “Issuing and Paying Agent”), and the undersigned, the CITY OF LOS ANGELES, a duly organized municipal corporation and a political subdivision of the State of California and a charter city (the “City”) regarding the above-referenced matter and amends and restates in its entirety the Amended and Restated Issuing and Paying Agent Agreement, dated as of October 1, 2018, by and between the City and the Issuing and Paying Agent, which amended and restated in its entirety the Amended and Restated Issuing and Paying Agent Agreement, dated as of December 1, 2015, by and between the City and the Issuing and Paying Agent. You have agreed to act as depository for the safekeeping of certain notes of the City which may be issued and sold in the commercial paper market in one or more Series (the “Commercial Paper Notes”), as issuing agent on behalf of the City in connection with the issuance of the Commercial Paper Notes described above and as paying agent to undertake certain obligations as described below on behalf of the holders of the Commercial Paper Notes.

The Issuing and Paying Agent has previously executed a letter of representations (the “Letter of Representations”), which terms shall include the procedures referred to therein with the City and The Depository Trust Company (“DTC”) and a certificate agreement (the “Certificate Agreement”) with DTC which establishes, among other things, the procedures to be followed by the Issuing and Paying Agent in connection with the issuance and custody of Commercial Paper Notes in book-entry form.

The Commercial Paper Notes are being issued pursuant to a Wastewater System Subordinate Revenue Bonds General Resolution adopted by the City Council of the City (the “Council”) on March 26, 1991, as amended and supplemented through the date hereof and as it may be further amended and supplemented from time to time (collectively, the “Subordinate General Resolution”) and an Amended and Restated First Supplemental Resolution Supplementing and Amending the Wastewater System Subordinate Revenue Bonds General

Resolution and Certain Supplemental Resolutions thereto and Amending and Restating the Wastewater System Subordinate Revenue Bonds First Supplemental Resolution, adopted by the Council on October 8, 2021 (the “Subordinate CP Supplemental Resolution” and together with the Subordinate General Resolution, the “Subordinate CP Resolution”). The Commercial Paper Notes shall be issued in a maximum aggregate principal amount of \$400,000,000 consisting of two series designated as “Tax-Exempt Series A” (the “Series A Commercial Paper Notes”) and “Taxable Series B” (the “Series B Commercial Paper Notes” and each a “Series” of Commercial Paper Notes). The Series A Commercial Paper Notes shall be further designated by subseries as “Tax-Exempt Series A-1” and “Tax-Exempt Series A-2”; and the Series B Commercial Paper Notes shall be further designated by subseries as “Taxable Series B-1” and “Taxable Series B-2.” The Tax-Exempt Series A-1 Commercial Paper Notes and the Taxable Series B-1 Commercial Paper Notes shall be issued in the Maximum Authorized Principal Amount of \$120,000,000. The Tax-Exempt Series A-2 Commercial Paper Notes and the Taxable Series B-2 Commercial Paper Notes shall be issued in the Maximum Authorized Principal Amount of \$280,000,000.

1. Appointment of Agent. The City requests that you act, and you hereby agree to act, as Issuing and Paying Agent for each Series of Commercial Paper Notes which the City shall from time to time deliver or cause to be delivered to you. Each Series of Commercial Paper Notes will be substantially in the form provided by DTC. Each Series of Commercial Paper Notes will be placed through the Dealers selected by the City, in such allocations as an Authorized City Representative (hereinafter defined) shall from time to time notify you. As of the date of execution and delivery of this Agreement, the Dealers will be Barclays Capital Inc. and Citigroup Global Markets Inc., to each of which the City has initially allocated all of each Series of Commercial Paper Notes. At no time will the aggregate principal of and interest payable upon maturity of a Series of such Commercial Paper Notes exceed the Commitment then available under the related Credit Facility with respect to such Series of Commercial Paper Notes. At no time will the total aggregate principal amount of and interest payable upon maturity of all Commercial Paper Notes outstanding exceed the total aggregate amount of the Commitments then available under the Credit Facilities.

2. Removal and Resignation of Issuing and Paying Agent; Termination of Agreement. The City may upon 30 days’ written notice and for any reason, remove you as the Issuing and Paying Agent and terminate this Agreement. You or any successor may at any time resign and terminate this Agreement by giving at least 60 days’ written notice to the City and each related Bank of your (or such successor’s) intention to resign and of the proposed date of resignation. Upon your removal by the City or upon receiving notice of resignation from you in accordance with the foregoing, the City shall promptly appoint a successor issuing and paying agent by an instrument in writing; provided, however, that if the City fails to appoint a successor issuing and paying agent within 30 days following receipt of a written notice of resignation, you may, at the expense of the City, petition the appropriate court having jurisdiction to appoint a successor issuing and paying agent. Such resignation or removal shall take effect on the day a successor issuing and paying agent shall have been appointed by the City and such successor issuing and paying agent shall have accepted such appointment in writing. The City shall provide a copy of such written acceptance to you. Any successor issuing and paying agent shall execute a new issuing and paying agent agreement with the City substantially similar to this Agreement.

Upon the effective date of your resignation or removal and termination of this Agreement, you shall (i) return to the City or its designee any Commercial Paper Notes then held in safekeeping by you according to the City's written instructions and (ii) deliver any moneys and Credit Facilities held by you pursuant to this Agreement to your successor. No such termination shall affect the City's and your responsibilities hereunder arising prior to such termination.

3. Qualifications of Successor Issuing and Paying Agent. Any successor shall be a bank or trust company, in good standing duly authorized to exercise trust powers having a combined capital (exclusive of borrowed capital) and surplus of at least \$100,000,000 and shall be subject to supervision or examination by a federal or State banking authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this paragraph 3 the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus set forth in its most recent report of condition so published. Notwithstanding the foregoing, a bank or trust company which does not have a combined capital and surplus of at least \$100,000,000 may become a successor issuing and paying agent hereunder if its obligations hereunder are guaranteed by an affiliate which meets the qualifications of a successor issuing and paying agent hereunder and such guaranty is acceptable in form and substance to the City.

4. Merger or Consolidation. Any company into which the Issuing and Paying Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Issuing and Paying Agent may sell or transfer all or substantially all of its corporate trust business (provided such company is eligible under paragraph 3 hereof), shall be the successor to the Issuing and Paying Agent without the execution or filing of any papers or further act, anything herein to the contrary notwithstanding.

5. Commercial Paper Notes. If Commercial Paper Notes in certificated form are to be issued, the City will from time to time furnish you with a supply of Commercial Paper Notes of each Series. Pending receipt of instructions pursuant to this Agreement, you hold the Commercial Paper Notes of a Series in safekeeping for the account of the City in accordance with customary practice. The Commercial Paper Notes of a Series in book-entry form shall be represented by one or more master notes which shall be executed by manual or facsimile signature by an Authorized City Representative in accordance with the Letter of Representation and you shall hold the master notes in safekeeping for the account of DTC in accordance with customary practice and the requirements of the Certificate Agreement.

6. Authorized City Representatives: Signature of Commercial Paper Notes. From time to time the City will furnish you with a certificate certifying the incumbency and specimen signatures of officers or agents of the City authorized to execute Commercial Paper Notes in one or more Series on behalf of the City by manual or facsimile signature and/or to take other action hereunder on behalf of the City (each an "Authorized City Representative"). Until you receive a subsequent incumbency certificate of the City, you are entitled to rely on the last such certificate delivered to you for purposes of determining the Authorized City Representatives.

You shall not have any responsibility to the City to determine by whom or by what means a facsimile signature may have been affixed on the Commercial Paper Notes, or to determine whether any facsimile or manual signature resembles the specimen signature(s) filed with you by a duly authorized officer of the City. Any Commercial Paper Note bearing the manual or facsimile signature of a person who is an Authorized City Representative on the date such signature is affixed shall bind the City after the completion thereof by you notwithstanding that such person shall have died or shall have otherwise ceased to hold his office on the date such Commercial Paper Note is countersigned, authenticated or delivered to you.

You agree that at the time of issuance you will countersign the Commercial Paper Notes as provided in the Subordinate CP Resolution and that Commercial Paper Notes shall not be valid until countersigned and authenticated by you.

7. Completion; Authentication and Delivery of Commercial Paper Notes.

(a) Instructions for the issuance of Commercial Paper Notes will be given via an issuance system you may utilize ("SPANS Online," as defined in Section 23 hereof) or other electronic transmission (including e-mail), if available, or by telephone, promptly confirmed in writing (facsimile) by one or more of the Dealers designated by the City, which Dealers shall be acting at the direction of a Designated Representative as defined in the Subordinate CP Resolution. Instructions may be given by telephone (by a Designated Representative or by a Dealer only) or in writing if the system is unavailable or is inoperative. Upon receipt of instructions as described in this paragraph, you will withdraw the necessary Commercial Paper Note(s) from safekeeping and, in accordance with such instructions, shall cause the issuance of such Commercial Paper Notes in the manner set forth in, and take such other actions as are required by the Letter of Representations. Nothing in this Agreement shall require the Issuing and Paying Agent to purchase any Commercial Paper Notes or expend the Issuing and Paying Agent's own funds for the purchase price of any Commercial Paper Notes.

(b) Instructions given via SPANS Online must be entered by 1:30 p.m. New York time for book-entry issuance, and instructions delivered by telephone or in writing must be received by you by 1:00 p.m. New York time, if the Commercial Paper Note(s) are to be delivered the same day. Telephone instructions shall be confirmed in writing the same day. The instructions for the issuance of Commercial Paper Notes shall include the following information:

(i) the date of issuance of each such Commercial Paper Notes (which shall be a Business Day);

(ii) the maturity date of each such Commercial Paper Notes (provided that the Authorized City Representative shall ensure that such date is a Business Day and that it shall not be more than 270 days from the date of issue, and in no event later than (1) five (5) days prior to the Termination Date of the related Credit Facility, (2) the date of issuance of a Tier One Stop Issuance Instruction from the Related Bank (until such time as the Related Bank shall have rescinded such Tier One Stop Issuance Instruction and shall have consented to the issuance of Commercial Paper Notes of such Series, in each case, by notice in writing to the Issuing and Paying Agent), (3) the date of issuance of the Tier One Final Drawing Notice from the Related Bank or (4) the date which is the earlier

of (x) the Tier Two Termination Date of the related Credit Facility or (y) the Revised Tier Two Termination Date of the related Credit Facility (until such time as the Related Bank shall have rescinded such Tier Two Termination Notice (or Revised Tier Two Termination Notice which shall have replaced such Tier Two Termination Notice) and shall have consented to the issuance of Commercial Paper Notes of such Series, in each case, by notice in writing to the Issuing and Paying Agent);

(iii) the face amount (provided that the Approved Officer shall ensure that such face amount is \$100,000 or integral multiples of \$1,000 in excess thereof) in figures; and

(iv) the interest rate and applicable discount or interest amount.

(c) Notwithstanding anything contained in the Subordinate CP Resolution, the City hereby agrees with the Issuing and Paying Agent not to instruct the Issuing and Paying Agent to issue any Commercial Paper Notes of any Series maturing later than (1) 270 days from the date of authentication and issuance of such Commercial Paper Notes, (2) five days prior to the Termination Date of the related Credit Facility, (3) the date of issuance of a Tier One Stop Issuance Instruction from the Related Bank (until such time as the Related Bank shall have rescinded such Tier One Stop Issuance Instruction and shall have consented to the issuance of Commercial Paper Notes of such Series, in each case, by notice in writing to the Issuing and Paying Agent), (4) the date of issuance of the Tier One Final Drawing Notice from the Related Bank or (5) the earlier of (x) the Tier Two Termination Date of the related Credit Facility or (y) the Revised Tier Two Termination Date of the related Credit Facility (until such time as the Related Bank shall have rescinded such Tier Two Termination Notice (or Revised Tier Two Termination Notice which shall have replaced such Tier Two Termination Notice) and shall have consented to the issuance of Commercial Paper Notes of such Series, in each case, by notice in writing to the Issuing and Paying Agent). For purposes of this Agreement, the term "Business Day" shall mean any day other than (i) a Saturday, Sunday or (ii) a day on which banks in the States of New York or California are required or authorized by law or executive order to be closed, (iii) a day on which the presentation office of the Bank for drawings under the related Credit Facility is required or authorized by law or executive order to be closed or (iv) a day on which the New York Stock Exchange is closed.

8. Continuation of CP Debt Service Fund: Deposit of Proceeds of Sale of the Commercial Paper Notes and Proceeds of Drawings under the Credit Facilities; Establishment of Costs of Issuance Fund; Draws Under Credit Facilities.

(a) You have previously established and maintained and will continue to maintain for the benefit of the holders of the Commercial Paper Notes, a fund designated as "City of Los Angeles Wastewater System Commercial Paper Revenue Notes Debt Service Fund" (the "CP Debt Service Fund"). The CP Debt Service Fund currently consists of three separate accounts designated the "CP Interest Account," the "CP Principal Account," and the "CP Matured Note Account."

You have previously established and maintained and will continue to maintain an additional account designated the "City CP Program Account." Such account was established for the convenience of the City and is not pledged or maintained for the benefit of the holders of

the Commercial Paper Notes or any other person. Within such City CP Program Account the City may from time to time deposit funds, which shall be invested at the written direction of the City or held in cash at the direction of the City.

You have previously established and maintained and will continue to maintain an account designated the "CP Bank Payment Account," and within each of the CP Interest Account, the CP Principal Account, the CP Matured Note Account and the CP Bank Payment Account a separate subaccount (a "Subaccount") for each subseries of Commercial Paper Notes. Moneys held in any Subaccount shall not be commingled with moneys held in any other Subaccount.

(b) You shall deposit into the CP Interest Subaccount and the CP Principal Subaccount, respectively, for a subseries the proceeds of each drawing under a Credit Facility received from the related Bank that is to be used to pay interest and principal, respectively, on the Commercial Paper Notes of such subseries. Such money shall be held uninvested. On or before 2:00 p.m. New York City time (i) on each day which Commercial Paper Notes of a subseries mature, the Issuing and Paying Agent shall withdraw from the City CP Program Account or the City shall deposit with the Issuing and Paying Agent pursuant to prior written instructions from the City in immediately available funds for deposit into the CP Bank Payment Subaccount for a subseries: (A) the proceeds of the issuance of Commercial Paper Notes of such subseries on each day of issuance; and (B) any other amounts received from or on behalf of the City for the purpose of reimbursing the Bank(s) for all amounts drawn or to be drawn under a Credit Facility to pay principal of or interest on the Commercial Paper Notes of any subseries, and (ii) on each day on which any Other Obligations owing to a Bank are due under the related Credit Agreement, an amount sufficient to pay in full such Other Obligations as specified in writing by the City to you. Amounts in each CP Principal Subaccount of a subseries shall be withdrawn by you to pay the principal of Commercial Paper Notes of such subseries as they mature or, if the Commercial Paper Notes of a subseries are not timely presented, to transfer to the CP Matured Notes Subaccount of such subseries for payment of such notes when presented, as provided under this Agreement. Amounts in the CP Interest Subaccount of a subseries shall be used to pay interest on maturing Commercial Paper Notes of such subseries and, with respect to Commercial Paper Notes of a subseries not timely presented for payment, to transfer the amount of interest due thereon to the CP Matured Notes Subaccount of such subseries for payment on such notes when presented. Amounts in each CP Bank Payment Subaccount shall be withdrawn and be used to reimburse the related Bank for drawings made to pay principal of, or interest on, the related Commercial Paper Notes, and to pay all Other Obligations owed to a Bank under the related Credit Agreement, as applicable.

(c) You are directed to hold and you hereby agree to hold the CP Interest Subaccount for the payment of the Commercial Paper Notes of a subseries and the CP Principal Subaccount of such subseries for the payment of the Commercial Paper Notes of the related subseries to be applied as provided in the immediately preceding paragraph and the CP Bank Payment Subaccount of such subseries for the payment to the related Bank to be applied as provided in the immediately preceding paragraph. Drawings related to such subseries made under a Credit Facility are pledged to the payment of Commercial Paper Notes of the related subseries and shall, while held in the CP Principal Subaccount or CP Interest Subaccount of such subseries, be pledged to secure the Commercial Paper Notes of such subseries. The fees and expenses of the Issuing and Paying Agent shall be paid by the City from the CP Construction Fund, SCM Fund

or other moneys available for such payments and shall not be paid from the CP Debt Service Fund and such fees and expenses of the Issuing and Paying Agent shall not constitute a lien on or be entitled to any security from the CP Debt Service Fund.

(d) Any amounts held in the CP Matured Notes Subaccount for a subseries shall be held solely for the payment of Commercial Paper Notes of such subseries which have matured and not been presented for payment and shall be held uninvested.

(e) You are directed to establish and maintain a separate segregated fund designated as the "Costs of Issuance Fund" to be administered in accordance with this Section 8(e). You are hereby directed to deposit in the Costs of Issuance Fund such amounts as shall be directed by an Authorized City Representative and received from the City. You shall disburse moneys in the Costs of Issuance Fund only upon a requisition, substantially in the form set forth in Exhibit B hereto, signed by an Authorized City Representative setting forth the amounts to be disbursed for payment or reimbursement of costs of issuance of the Commercial Paper Notes (the "Costs of Issuance") and the name of the person or persons to whom said amounts are due, stating that the amounts to be disbursed are for Costs of Issuance properly chargeable to the Costs of Issuance Fund and that such amounts have not been the subject of previous requisition. Upon the filing with Paying Agent of a certificate stating that all of the Costs of Issuance have been paid, as applicable, Paying Agent shall, upon written instructions of the City, withdraw all remaining moneys in the Costs of Issuance Fund and transfer or apply such amount to or at the direction of the City, free and clear of any lien of the Subordinate General Resolution, and shall close the Costs of Issuance Fund.

(f) You are hereby authorized and directed on each day any Commercial Paper Note of any Series and subseries matures to deliver to the Related Bank no later than 11:30 a.m. New York City time a drawing certificate (as provided in the related Credit Facility) and accompanying documentation and to take such action as necessary to comply with the terms of the related Credit Facility, if required, and to demand payment be made under such Credit Facility on such maturity date (or such earlier date or dates as required by such Credit Facility) at such time and in such amount not in excess of the then available Commitment of such Credit Facility so as to be timely and sufficient to pay the entire amount of principal and interest becoming due on all Commercial Paper Notes of such Series on such date; provided that, in each case any certificates of the Issuing and Paying Agent shall be signed by one who states therein that such person is a duly authorized officer of the Issuing and Paying Agent.

9. Payment of Matured Commercial Paper Notes. On each day that any Commercial Paper Notes of a subseries are scheduled to mature, the City shall provide to you sufficient funds from which to pay the maturing Commercial Paper Notes of such subseries and the interest thereon which shall be paid from drawings under the related Credit Facilities. When any matured Commercial Paper Note of a subseries is presented to you for payment by the holder thereof, payment shall be made from and charged to the CP Principal Subaccount and the CP Interest Subaccount of such subseries to the extent of the applicable principal and interest due on such maturing Commercial Paper Notes; except that Commercial Paper Notes of a subseries which are not timely presented and for which funds have been credited to the related CP Matured Notes Subaccount shall be paid from such subaccount. Commercial Paper Notes presented to

you for payment by 3:00 p.m. New York time on a Business Day shall be paid on that day to the extent of funds available for such purpose.

10. Reliance on Instructions. You shall incur no liability to the City in acting hereunder upon telephonic or other instructions contemplated hereby which the recipient thereof believes in good faith to have been given by an Authorized City Representative, Designated Representative or authorized Dealer representative, as the case may be. Instructions submitted by SPANS Online shall be the equivalent of duly authorized written instructions upon which Issuing and Paying Agent may conclusively rely. In the event a discrepancy exists between the telephonic instructions given by the City and as recorded and understood by you, your understanding will be deemed the controlling and proper instructions.

11. Cancellation of Commercial Paper Notes. After payment of any matured Commercial Paper Notes of any subseries, the Issuing and Paying Agent will update its records to reflect the base amount of Commercial Paper Notes of such subseries outstanding in accordance with the Letter of Representations. Promptly upon the written request of the City, you agree to cancel and return to the City all unissued Commercial Paper Notes of a subseries in your possession at the time of such request.

12. Representations and Warranties of the City. Each instruction on the date it is given to you in accordance with paragraph 7 hereof whether given directly by a Designated Representative or through a Dealer shall constitute a representation and warranty to you and the holders of the Commercial Paper Notes by the City that:

(i) the issuance and delivery of the Commercial Paper Notes have been duly and validly authorized by the City;

(ii) that the Commercial Paper Notes, when completed, countersigned and delivered pursuant hereto, will constitute the legal, valid and binding obligations of the City;

(iii) your appointment to act for the City hereunder has been duly authorized by all necessary action of the City;

(iv) the City has, and at all relevant times has had, all necessary power and authority to execute, deliver and perform this Agreement and to issue the Commercial Paper Notes;

(v) all action on the part of the City which is required (A) for the authorization of the issuance of the Commercial Paper Notes and (B) for the authorization, execution, delivery and performance of this Agreement and the issuance of the Commercial Paper Notes do not require the approval or consent of any holder or trustee of any indebtedness or obligations of the City;

(vi) the related Credit Facility is in full force and effect;

(vii) after the issuance of such Commercial Paper Notes and the application of the proceeds thereof, the aggregate principal amount of and interest payable upon

maturity of such Series of Commercial Paper Notes will not exceed the Commitment then available under the related Credit Facility with respect to such Series of Commercial Paper Notes;

(viii) and no default or event of default has occurred or is continuing hereunder and each representation and warranty of the City hereunder is true and correct in all material respects on and as of such date;

(ix) the interest rate borne by the Commercial Paper Notes to be delivered does not exceed 10% per annum or any lower legal interest rate then applicable to such Commercial Paper Notes;

(x) the facts, estimates, circumstances and representations set forth or made (as the case may be) in the Tax Certificate continue to exist and are reaffirmed;

(xi) the Commercial Paper Notes mature not more than 270 days after their respective issuance dates, and in no event later than (1) five (5) days prior to the Termination Date of the Credit Facility, (2) the date of issuance of a Tier One Stop Issuance Instruction from the Related Bank (until such time as the Related Bank shall have rescinded such Tier One Stop Issuance Instruction and shall have consented to the issuance of Commercial Paper Notes of such Series, in each case, by notice in writing to the Issuing and Paying Agent), (3) the date of issuance of the Tier One Final Drawing Notice from the Related Bank or (4) the earlier of (x) the Tier Two Termination Date of the related Credit Facility or (y) the Revised Tier Two Termination Date of the related Credit Facility (until such time as the Related Bank shall have rescinded such Tier Two Termination Notice (or Revised Tier Two Termination Notice which shall have replaced such Tier Two Termination Notice) and shall have consented to the issuance of Commercial Paper Notes of such Series, in each case, by notice in writing to the Issuing and Paying Agent); and

(xii) the City has not been notified by Bond Counsel that its opinion with respect to the validity of the Commercial Paper Notes and the tax treatment of the interest thereof delivered with respect to the Commercial Paper Notes has been revised or withdrawn or, if any such revisions or withdrawal has occurred, the revised opinion or a substitute opinion acceptable to the Dealer or Dealers to whom the Notes are to be delivered has been delivered.

13. Compliance With Subordinate CP Resolution. You agree to accept, undertake and perform all of the duties and obligations set forth and imposed upon the Issuing and Paying Agent and the Authenticating Agent under the Subordinate CP Resolution and, in addition, you agree:

(a) to hold all sums held by you for the payment of the principal of or interest on Commercial Paper Notes until such sums shall be paid to such holders or the related Banks or otherwise disposed of as provided in the Subordinate CP Resolution;

(b) to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection, including sending copies

of such books and records so requested for inspection in writing, by the City and the Banks on each Business Day during reasonable business hours;

(c) notwithstanding anything to the contrary contained in this Agreement, the Letter of Representations and the Certificate Agreement, you shall not issue any Commercial Paper Notes of any subseries following receipt by you, if such Commercial Paper Notes are Series A Commercial Paper Notes, of written notice from Bond Counsel that its opinion regarding exclusion of interest on the Commercial Paper Notes of such subseries from gross income for federal tax purposes of the holders thereof is being withdrawn;

(d) you shall not issue any Commercial Paper Notes of any Series maturing later than (1) 270 days from the date of authentication and issuance of such Commercial Paper Notes, (2) five days prior to the Termination Date of the related Credit Facility, (3) the date of issuance of a Tier One Stop Issuance Instruction from the Related Bank (until such time as the Related Bank shall have rescinded such Tier One Stop Issuance Instruction and shall have consented to the issuance of Commercial Paper Notes of such Series, in each case, by notice in writing to you), (4) the date of issuance of the Tier One Final Drawing Notice from the Related Bank or (5) the earlier of (x) the Tier Two Termination Date of the related Credit Facility or (y) the Revised Tier Two Termination Date of the related Credit Facility (until such time as the Related Bank shall have rescinded such Tier Two Termination Notice (or Revised Tier Two Termination Notice which shall have replaced such Tier Two Termination Notice) and shall have consented to the issuance of Commercial Paper Notes of such Series, in each case, by notice in writing to you);

(e) you shall not issue any Commercial Paper Notes if such issuance would result in the aggregate principal amount of and interest payable upon maturity of the Tax-Exempt Series A-1 Commercial Paper Notes and Taxable Series B-1 Commercial Paper Notes would exceed the Commitment then available under the related Credit Facility or the Tax-Exempt Series A-2 Commercial Paper Notes and Taxable Series B-2 Commercial Paper Notes would exceed the Commitment then available under the related Credit Facility;

(f) notwithstanding anything to the contrary herein, if you shall receive a Tier One Stop Issuance Instruction or the Tier One Final Drawing Notice, as applicable, with respect to one or more Series of Commercial Paper Notes from a Bank, you shall follow the instructions in such notice and shall not thereafter issue or deliver any Commercial Paper Notes of such Series supported by the related Credit Facility, notwithstanding any contrary instructions you receive from a Designated Representative or a Dealer and you may resume issuing Commercial Paper Notes of such Series only if such Tier One Stop Issuance Instruction is rescinded in writing by the Related Bank and the Related Bank shall have consented to the issuance of such Series of Commercial Paper Notes in writing; you shall immediately give notice to the City and the Dealers of the receipt of a Tier One Stop Issuance Instruction or the Tier One Final Drawing Notice, as applicable, from a Bank; a Tier One Stop Issuance Instruction or the Tier One Final Drawing Notice shall be effective when received by you; provided, however, that a Tier One Stop Issuance Instruction or the Tier One Final Drawing Notice received by you after 11:00 a.m. New York time on any day on which the applicable Series of Commercial Paper Notes are being issued shall be effective on the next succeeding day;

(g) notwithstanding anything to the contrary herein, if you shall receive a Tier Two Termination Notice with respect to one or more Series of Commercial Paper Notes from a Bank, you shall follow the instructions in such notice and shall not thereafter issue or deliver any Commercial Paper Notes of such Series supported by the related Credit Facility maturing later than the earlier of (a) the Tier Two Termination Date of the related Credit Facility and (b) the Revised Tier Two Termination Date of the related Credit Facility, notwithstanding any contrary instructions you receive from a Designated Representative or a Dealer, and you may resume issuing Commercial Paper Notes of such Series only if such Tier Two Termination Notice (or Revised Tier Two Termination Notice which shall have replaced such Tier Two Termination Notice) is rescinded in writing by the Related Bank and the Related Bank shall have consented to the issuance of such Series of Commercial Paper Notes in writing; a Tier Two Termination Notice (or Revised Tier Two Termination Notice, as applicable) shall be effective when received by you; provided, however, that a Tier Two Termination Notice (or Revised Tier Two Termination Notice, as applicable) received by you after 11:00 a.m. New York time on any day on which the applicable Series of Commercial Paper Notes are being issued shall be effective on the next succeeding day;

(h) if you receive the Tier One Final Drawing Notice with respect to one or more Series of Commercial Paper Notes from a Bank, you shall, immediately upon receipt of such Tier One Final Drawing Notice, present all required drawing certificates and accompanying documentation, if required, to the Related Bank and demand payment be made immediately and directly to you under the related Credit Facility of an amount sufficient to pay the entire amount of principal of the then outstanding Commercial Paper Notes of such Series supported by such Credit Facility and the interest due on such Commercial Paper Notes on the applicable maturity date(s); such final drawing amounts shall be deposited into the related CP Principal Subaccount and CP Interest Subaccount of the CP Debt Service Fund, shall not be commingled with any other funds and shall be held uninvested until used to pay the principal of and interest on the related Commercial Paper Notes of such Series or Subseries upon proper presentation thereof at maturity; and

(i) if you receive a Tier Two Termination Notice with respect to one or more Series of Commercial Paper Notes from a Bank, you shall, by no later than the Business Day prior to the earlier of (a) the Tier Two Termination Date of such Credit Facility and (b) the Revised Tier Two Termination Date of such Credit Facility, if any, present all required drawing certificates and accompanying documentation, if required, to the Related Bank and demand payment be made on the Tier Two Termination Date or Revised Tier Two Termination Date, as applicable, immediately and directly to you under the related Credit Facility of an amount sufficient to pay the entire amount of principal of the then outstanding Commercial Paper Notes supported by such Credit Facility and the interest due on such related Commercial Paper Notes on the applicable maturity date(s) of the then outstanding Commercial Paper Notes; provided, however, that if such Tier Two Termination Notice (or Revised Tier Two Termination Notice which shall have replaced such Tier Two Termination Notice) shall have been rescinded by the Related Bank by a notice in writing to you before you have presented all required drawing certificates and accompanying documentation, if required, to the Related Bank, the City hereby instructs you not to submit such drawing certificates and accompanying documentation with respect to such rescinded Tier Two Termination Notice (or rescinded Revised Tier Two Termination Notice which shall have replaced such Tier Two Termination Notice); such drawing

amounts shall be deposited into the related CP Principal Subaccount and CP Interest Subaccount of the CP Debt Service Fund, shall not be commingled with any other funds and shall be held uninvested until used to pay the principal of and interest on the related Commercial Paper Notes of such Series or Subseries upon proper presentation thereof at maturity.

For purposes of determining the principal amount of Commercial Paper Notes which may be delivered by the Issuing and Paying Agent under the limitations set forth in the preceding paragraphs of this paragraph 13, the Issuing and Paying Agent shall, on each day that Commercial Paper Notes are to be delivered, in trust for the benefit of the holders of the Commercial Paper Notes and the Banks, verify that, following delivery of the Commercial Paper Notes to be issued on such date, the aggregate principal amount of the Tax-Exempt Series A-1 Commercial Paper Notes and Taxable Series B-1 Commercial Paper Notes which will be Outstanding will not exceed the Maximum Authorized Principal Amount and the aggregate amount of interest due at maturity on the outstanding Tax-Exempt Series A-1 Commercial Paper Notes and Taxable Series B-1 Commercial Paper Notes would exceed the Commitment then available under the related Credit Facility and the aggregate principal amount of the Tax-Exempt Series A-2 Commercial Paper Notes and Taxable Series B-2 Commercial Paper Notes which will be Outstanding will not exceed the Maximum Authorized Principal Amount and the aggregate amount of interest due at maturity on the outstanding Tax-Exempt Series A-2 Commercial Paper Notes and Taxable Series B-2 Commercial Paper Notes would exceed the Commitment then available under the related Credit Facility. For purposes of calculating unpaid Advances under the related Credit Agreement, the Issuing and Paying Agent shall assume that all Advances under the Credit Agreement remain unreimbursed except to the extent the reimbursement was made by the Issuing and Paying Agent from the CP Debt Service Fund and the Issuing and Paying Agent has not received notice from the related Bank that an Event of Default (as defined under the related Credit Agreement) has occurred and is continuing.

14. Liability. Neither you nor your officers, employees or agents shall be liable for any act or omission hereunder, except in the case of negligence or willful misconduct as described in paragraph 15 herein. Your duties and obligations and those of your officers and employees shall be determined by the express provisions of this Agreement, the Letter of Representations and Certificate Agreement (including the documents referred to therein), and such duties and obligations as are specifically set forth herein and therein, and no implied covenants shall be read into any such document against you or your officers, employees or agents. Neither you nor your officers, employees or agents shall be required to ascertain whether any issuance or sale of Commercial Paper Note(s) (or any amendment or termination of this Agreement) has been duly authorized or is in compliance with any other agreement to which the City is a party (whether or not you are a party to such other agreement) except as specifically set forth herein.

15. Indemnity. The City hereby agrees to indemnify and hold you, your employees and any of your officers and agents harmless, from and against, and you, your officers, employees and agents, shall not be liable for, any and all losses, liabilities (including liabilities for penalties), actions, suits, judgments, demands, damages, costs and expenses of any nature (including, without limitation, interest and attorneys' fees, expenses, and the allocable costs of in-house legal services) arising out of or resulting from the exercise of your rights and/or the performance of your duties (or those of your officers, agents and employees) hereunder;

provided, however, that the City shall not be liable to indemnify or pay you with respect to any loss, liability, action, suit, judgment, demand, damage, cost or expense that results from or is attributable to your negligence or willful misconduct or that of your officers or employees as determined by a court of competent jurisdiction. The foregoing indemnity includes, but is not limited to, any action taken or omitted to be taken by you upon telex, telephonic or other electronically transmitted instructions (authorized herein) received by you from, or believed by you in good faith to have been given by, the proper person or persons. For avoidance of doubt, the Issuing and Paying Agent hereby acknowledges that no further indemnity shall be required as a condition precedent to the Issuing and Paying Agent making any drawing under a Credit Facility in accordance with the terms of the Subordinate CP Resolution and the related Credit Facility. The provisions of this paragraph 15 shall survive (i) your resignation or removal hereunder and (ii) the termination of this Agreement.

16. Notices; Addresses. (a) All communications by or on behalf of the City or the Dealers, by telephone, electronic transmission (including e-mail) or otherwise, relating to the completion, delivery or payment of the Commercial Paper Note(s) are to be directed to your Commercial Paper Issuance Unit of the Global Corporate Trust Services department (or such other department or division which you shall specify in writing to the City or the Dealers). The City will send all Commercial Paper Notes to be completed and delivered by you to your [Commercial Paper Issuance Unit of the Global Corporate Trust Services department] (or such other department or division as you shall specify in writing to the City), initially at the address set forth below. You will advise the City and the Dealers from time to time of the individuals generally responsible for the administration of this Agreement and will from time to time certify incumbency and specimen signatures of officers or employees authorized to countersign Commercial Paper Notes and will supply a list of employees authorized to receive telephone or electronic transmission (including e-mail) instructions.

U.S. Bank National Association
100 Wall Street, Suite 600
New York, New York 10005
Attention: Global Corporate Trust Services
Telephone: (212) 951-[6140]
Facsimile: (212) 509-4529
Email: mmi.processing@usbank.com

(b) Notices and other communications hereunder shall (except to the extent otherwise expressly provided) be in writing and shall be addressed as follows, or to such other address as the party receiving such notice shall have previously specified to the party sending such notice:

if to the City at:

City of Los Angeles
Office of the City Administrative Officer
Room 1500
City Hall East
200 North Main Street

Los Angeles, California 90012
Attention: Debt Management Group
Telephone: (213) 473-7500
Facsimile: (213) 473-7540
E-mail: cao.debt@lacity.org

if to you at:

U.S. Bank National Association
100 Wall Street, Suite 600
New York, New York 10005
Attention: Global Corporate Trust Services
Telephone: (212) 361-[6140]
Facsimile: (212) [509-4529]

if to the Dealers, at the address specified in the respective Dealer Agreement as in effect from time to time.

The notice addresses for the Dealers serving in such capacity as of the date of execution and delivery of this Agreement are:

Barclays Capital Inc.
745 Seventh Avenue, 2nd Floor
New York, New York 10019
Attention: Public Finance – Short Term Products
Telephone: (212) 526-2093
Facsimile: (646) 758-1905

Citigroup Global Markets Inc.
390 Greenwich Street, 2nd Floor
New York, New York 10013
Attn: Manager, Short Term Finance Group
Telephone: (212) 723-5688
Facsimile: (212) 723-8809

if to the Banks, at the addresses specified in the respective Credit Agreements.

The notice addresses for the Banks as of the date of execution and delivery of this Agreement are:

Tax-Exempt Series A-1 Commercial Paper Notes and Tax-Exempt Series B-1
Commercial Paper Notes:

to such Bank with respect	Barclays Bank PLC
to drawings under the	745 Seventh Avenue
Credit Facility:	New York, New York 10019

Attention: Letter of Credit Department
Telephone:(201) 499-2081 or (201) 499-6388
Facsimile: (212) 412-5011

to such Bank with respect to credit matters: Barclays Bank PLC
745 Seventh Avenue, 19th Floor
New York, New York 10019
Attention: Cassandra Bolz
Telephone: (212) 526-3974
Facsimile: ([____]) [____]-[____]

Tax-Exempt Series A-2 Commercial Paper Notes and Tax-Exempt Series B-2 Commercial Paper Notes:

to such Bank with respect to credit matters: The Toronto-Dominion Bank, NY Branch
c/o TD Securities (USA) LLC
31 West 52nd Street
New York, New York 10019
Attention: Karima Omar/Chiun Ng
Telephone: (212) 827-7732/(212) 827-7566
Facsimile: (212) 827-7244
Email: karima.omar@tdsecurities.com/
chiun.ng@tdsecurities.com

to such Bank, with respect to drawings under the Credit Facility: The Toronto-Dominion Bank
222 Bay Street
E&Y Tower 15th Floor Toronto Ontario M5K 1A2
Attention: Vlad Penchuk / Christine Kim
Telephone: (416) 307 0529 / (416) 982-8748
Facsimile: (416) 982 8619
Email: Volodymyr.Penchuk@tdsecurities.com
Christine.Kim@tdsecurities.com
Please send all notifications to:
TDSINotices@tdsecurities.com

The City shall provide notice to each Rating Agency then maintaining a rating on the Commercial Paper Notes upon any of the following events: (i) any change to the Issuing and Paying Agent Agreement; (ii) any change to the program documents; (iii) no Commercial Paper Notes remain outstanding; or (iv) any expiration, termination, substitution or extension of any Credit Facility. Notices and other communications under this subsection shall (except to the extent otherwise expressly provided) be in writing and shall be addressed as follows, or to such other address as the party receiving such notice shall have previously specified to the party sending such notice:

S&P Global Ratings
55 Water Street, 38th Floor
New York, New York 10041
Attn: Public Finance Structured Group
Telephone: (415) 371-5020
Facsimile: (415) 371-5090
E-mail: pubfin_structured@spglobal.com

Fitch Ratings, Inc.
33 Whitehall Street
New York, New York 10004
Attn: Public Finance Department – Municipal Structured Finance
Telephone: (212) 908-0500
Facsimile: (212) 480-4421

Notices shall be deemed delivered when received at the addresses specified above. For purposes of this paragraph, “when received” shall mean actual receipt (i) of an electronic communication by telecopier, electronic mail or SPANS Online pursuant to this Agreement; (ii) of an oral communication by any person answering the telephone at your office specified in subparagraph 16(b) hereof and otherwise at the office of the individual or department specified in or pursuant to this Agreement; or (iii) of a written communication hand delivered by a national overnight courier or delivery service, or by first class, certified or registered mail, return receipt requested at the office specified in or pursuant to this Agreement.

17. Additional Information. Upon the reasonable request of the City given at any time and from time to time, you shall promptly provide the City with information with respect to the Commercial Paper Note(s) issued and paid hereunder. Such request shall be in written form and shall include the principal amount, date of issue, number of days, maturity date and rate and amount of interest of each Commercial Paper Note which has been issued or paid by you and for which the request is being made. You and the City shall discuss from time to time the extent to which such information is reasonably available and the times at which you can reasonably furnish such information.

18. Integration. This Agreement contains the entire understanding of the parties hereto with respect to the subject matter contained herein and supersedes and cancels any and all prior agreements, representations or statements, written or oral, of either party with respect hereto.

19. Benefit of Agreement. This Agreement is solely for the benefit of the parties hereto, and no other person shall acquire or have any right under or by virtue hereof; provided, however, that each Bank shall be a third party beneficiary of this Agreement.

20. GOVERNING LAW. THIS AGREEMENT IS TO BE DELIVERED AND PERFORMED IN, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE LAW OF THE STATE OF CALIFORNIA.

21. Fees. You shall, receive fees from the City for acting as Issuing and Paying Agent in accordance with Exhibit A hereto.

22. SPANS Online. The City and each Authorized Representative may use the U.S. Bank Securities Processing Automated Notes System Online (“SPANS Online”) instruction and reporting communication service to transmit instructions to the Issuing and Paying Agent or obtain reports with respect to the Commercial Paper Notes. The City may, by separate agreement between the City and one or more of its Authorized City Representatives, authorize the Authorized City Representative to directly access SPANS Online for the purposes of transmitting instructions to the Issuing and Paying Agent or obtaining reports with respect to the Commercial Paper Notes. The City acknowledges that (i) some or all of the services utilized in connection with SPANS Online are furnished by SS&C Technologies, Inc. (“SS&C”), (ii) SPANS Online is provided to the City “AS IS” without warranties or representations of any kind whatsoever, and (iii) SPANS Online is proprietary and confidential property disclosed to the City in confidence and may be utilized only on the SPANS Online Terms and Conditions as set forth in the SPANS Online website and for purposes set forth in this Agreement. To permit the use of SPANS Online to transmit instructions and/or obtain reports with respect to the Commercial Paper Notes, the Issuing and Paying Agent will supply the City with a customer identification number and initial passwords. The City may thereafter change its passwords directly through SPANS Online. The City will keep all information relating to its identification number and passwords strictly confidential and will be responsible for the maintenance of adequate security over its customer identification number and passwords. Instructions transmitted over SPANS Online and received by the pursuant to this Agreement shall be deemed conclusive evidence that such instructions are correct and complete and that the issuance or redemption of the Commercial Paper Notes directed thereby has been duly authorized by the City.

The Issuing and Paying Agent shall make available to the City and each Bank via SPANS Online such information regarding the trades, maturities, principal amounts and interest rates for the Commercial Paper Notes, and covering such time periods, as may be reasonably requested by any Bank or the City from time to time.

23. Counterparts. This Agreement may be signed in several counterparts. Each will be an original but all of them together constitute the same instrument. This Agreement may be delivered by the exchange of signed signature pages by facsimile transmission or by email with a pdf copy or other replicating image attached, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

24. Definitions. Unless the context otherwise requires, the terms defined in this paragraph 24 shall, for all purposes of this Agreement, have the meanings as set forth below. All other capitalized terms used herein without definition shall have the meanings as set forth in the Subordinate CP Resolution or the applicable Credit Agreement.

“Bank Noticed Termination Date” means with respect to a Series of the Commercial Paper Notes, the Tier Two Termination Date.

“Bank Noticed Termination Notice” means with respect to a Series of the Commercial Paper Notes, a Tier Two Termination Notice.

“Final Drawing Notice” as used in the First Supplemental Resolution, means with respect to a Series of the Commercial Paper Notes, the Tier One Final Drawing Notice.

“Maximum Authorized Principal Amount” or “applicable Maximum Authorized Principal Amount” means the maximum aggregate principal amount of a Series of Commercial Paper Notes plus interest thereon calculated at the maximum rate of ten percent (10%) per annum for a period of 120 days and based upon a year of 360 days, which is fully supported by the related Credit Facility and in particular means: (i) with respect to the Tax-Exempt Series A-1 Commercial Paper Notes and the Taxable Series B-1 Commercial Paper Notes, \$120,000,000, which principal amount of such Series of Commercial Paper Notes plus interest thereon calculated at the maximum rate of ten percent (10%) per annum for a period of 120 days and based upon a year of 360 days, is fully supported by the related Credit Facility; (ii) with respect to the Tax-Exempt Series A-2 Commercial Paper Notes and the Taxable Series B-2 Commercial Paper Notes, \$280,000,000, which principal amount of such Series of Commercial Paper Notes plus interest thereon calculated at the maximum rate of ten percent (10%) per annum for a period of 120 days and based upon a year of 360 days, is fully supported by the related Credit Facility; and (iii) with respect to any other Series of Commercial Paper Notes, shall be such amount set forth in the Issuing and Paying Agent Agreement as the Maximum Authorized Principal Amount for such Series of Commercial Paper Notes, which principal amount of such Series of Commercial Paper Notes plus interest thereon calculated at the maximum rate of ten percent (10%) per annum for a period of 120 days and based upon a year of 360 days, is fully supported by the related Credit Facility; provided, however, that the aggregate amount of Maximum Authorized Principal Amounts for all Series of Commercial Paper Notes, or the “Total Maximum Authorized Principal Amount” shall not exceed \$400,000,000.

“Revised Bank Noticed Termination Date” means with respect to a Series of the Commercial Paper Notes means a Revised Tier Two Termination Date.

“Revised Bank Noticed Termination Notice” means with respect to a Series of the Commercial Paper Notes, a Revised Tier Two Termination Notice.

“Stop Issuance Instruction” as used in the First Supplemental Resolution, means with respect to a Series of the Commercial Paper Notes, a Tier One Stop Issuance Instruction.

“Termination Date” or “applicable Termination Date” means with respect to a Series of Commercial Paper Notes, the stated expiration or termination date of the applicable Credit Facility.

“Tier One Stop Issuance Instruction” with respect to a Series of the Commercial Paper Notes means a written instruction from the Related Bank to the City and the Issuing and Paying Agent not to issue or authenticate any additional Commercial Paper Notes of the applicable Series supported by the same Credit Facility.

“Tier One Final Drawing Notice” with respect to a Series of the Commercial Paper Notes means a written notice from the Related Bank to the City and the Issuing and Paying

Agent to cease issuing any additional Commercial Paper Notes of the applicable Series supported by the same Credit Facility and instructing the Issuing and Paying Agent to make the final drawing under the applicable Credit Facility and notifying the Issuing and Paying Agent of the termination date of such Credit Facility.

“Tier Two Termination Date” with respect to a Series of the Commercial Paper Notes means the 120th day following receipt of the Tier Two Termination Notice.

“Tier Two Termination Notice” with respect to a Series of the Commercial Paper Notes means a written notice from the Related Bank to the City and the Issuing and Paying Agent not to issue or authenticate any additional Commercial Paper Notes of the applicable Series supported by the same Credit Facility with a stated maturity date later than the Tier Two Termination Date and instructing the Issuing and Paying Agent to make the final drawing under the applicable Credit Facility on the Tier Two Termination Date and notifying the Issuing and Paying Agent of the termination of such Credit Facility on the Tier Two Termination Date.

“Total Maximum Authorized Principal Amount” means \$400,000,000.

25. Standard Provisions for City Contracts. Certain standard provisions for City contracts are attached hereto as Attachment A and are hereby incorporated by reference into this Agreement, and the Issuing and Paying Agent agrees to be subject to all of such provisions. Anything herein to the contrary notwithstanding, to the extent of any conflict between Attachment A attached hereto and the other provisions of this Agreement, the other provisions of this Agreement shall be controlling.

26. City Reliance. The Issuing and Paying Agent understands that the City is relying upon the certifications and representations set forth in Attachment A incorporated by reference into this Agreement thereby as a condition to appointment of the Issuing and Paying Agent hereunder.

Please indicate your agreement with and acceptance of the foregoing terms and provisions by signing the counterpart of this letter enclosed herewith and returning it to the City.

CITY OF LOS ANGELES

By: _____
Assistant City Administrative Officer

Approved as to Form:

MICHAEL N. FEUER, City Attorney

By: _____
Deputy City Attorney

Agreed to and accepted as of the 15th day of October 2021.

U.S. BANK NATIONAL ASSOCIATION,
as Issuing and Paying Agent

By: _____
Title: _____

Attachment A

City's Standard Provisions

The Issuing and Paying Agent agrees to be subject to the following provisions unless otherwise exempt from any of such provisions or unless any of such provisions are not applicable as a matter of law. Anything herein to the contrary notwithstanding, to the extent of any conflict between the provisions of this Attachment A and the other provisions of the Issuing and Paying Agent Agreement, the other provisions of the Issuing and Paying Agent Agreement shall be controlling.

Section 1. Independent Contractor. The Issuing and Paying Agent is an independent contractor and not an agent or employee of the City. The Issuing and Paying Agent shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees or agents to be an agent or employee of the City.

Section 2. Retention of Records, Audits and Reports. The Issuing and Paying Agent shall maintain all records, including records of financial transactions, pertaining to the performance of the Issuing and Paying Agent Agreement, in their original form or as otherwise approved by the City. These records shall be retained for a period of no less than three years from the later of the following: (1) final payment made by the City, (2) the expiration of the Issuing and Paying Agent Agreement or (3) termination of the Issuing and Paying Agent Agreement. The records will be subject to examination and audit by authorized City personnel or the City's representatives at any time. The Issuing and Paying Agent shall provide any reports requested by the City regarding performance of the Issuing and Paying Agent Agreement. Any subcontract entered into by the Issuing and Paying Agent for work to be performed under the Issuing and Paying Agent Agreement must include an identical provision.

In lieu of retaining the records for the term as prescribed in this provision, the Issuing and Paying Agent may, upon the City's written approval, submit the required information to the City in an electronic format, e.g. USB flash drive, at the expiration or termination of the Issuing and Paying Agent Agreement.

Section 3. Taxpayer Identification Number ("TIN") and Withholding Taxes. The Issuing and Paying Agent declares that it has an authorized TIN which will be provided to the City on Form W-9 or such equivalent form prior to payment under the Issuing and Paying Agent Agreement. Payments made under the Issuing and Paying Agent Agreement shall be subject to any federal or state taxes as may be required to be withheld pursuant to any applicable law or regulation, unless otherwise exempted by such applicable law, regulations, or other evidence of exemption.

Section 4. Warranty and Responsibility of the Issuing and Paying Agent. The Issuing and Paying Agent warrants that the work performed under the Issuing and Paying Agent Agreement shall be completed in a manner consistent with professional standards practiced among those firms within the Issuing and Paying Agent's profession, doing the same or similar work under the same or similar circumstances.

Section 5. Mandatory Provisions Pertaining to Non-Discrimination in Employment.

Unless otherwise exempt, the Issuing and Paying Agent Agreement is subject to the applicable non-discrimination, equal employment practices, and affirmative action program provisions in the Los Angeles Administrative Code (“LACC”) Section 10.8 et seq., as amended from time to time.

- A. The Issuing and Paying Agent shall comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the City. In performing the Issuing and Paying Agent Agreement, the Issuing and Paying Agent shall not discriminate in any of its hiring or employment practices against any employee or applicant for employment because of such person’s race, color, religion, national origin, ancestry, sex, sexual orientation, gender, gender identity, age, disability, domestic partner status, marital status or medical condition.
- B. The provisions of Section 10.8.3 of the LAAC are incorporated and made a part of the Issuing and Paying Agent Agreement by reference and will be known as the “Equal Employment Practices” provisions of the Issuing and Paying Agent Agreement.
- C. The provisions of Section 10.8.4 of the LAAC are incorporated and made a part of the Issuing and Paying Agent Agreement by reference and will be known as the “Affirmative Action Program” provisions of the Issuing and Paying Agent Agreement.

Any subcontract entered into by the Issuing and Paying Agent for work to be performed under the Issuing and Paying Agent Agreement must include an identical provision.

Section 6. Child Support Assignment Orders. The Issuing and Paying Agent shall comply with the Child Support Assignment Orders Ordinance, Section 10.10 of the LAAC, as amended from time to time. Pursuant to Section 10.10(b) of the LAAC, the Issuing and Paying Agent (and any subcontractor of the Issuing and Paying Agent providing services to the City under the Issuing and Paying Agent Agreement) shall (1) fully comply with all State and Federal employment reporting requirements for the Issuing and Paying Agent’s or the subcontractor’s employees; (2) certify that the principal owner(s) of the Issuing and Paying Agent and applicable subcontractor are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code Section 5230, et seq.; and (4) maintain such compliance throughout the term of the Issuing and Paying Agent Agreement.

Failure of the Issuing and Paying Agent or an applicable subcontractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment or Notices of Assignment, or the failure of any principal owner(s) of the Issuing and Paying Agent or applicable subcontractor to comply with any Wage and Earnings Assignment or Notices of Assignment applicable to them personally, shall constitute a default by the Issuing

and Paying Agent under the Issuing and Paying Agent Agreement. Failure of the Issuing and Paying Agent or applicable subcontractor or principal owner to cure the default within 90 days of the notice of default will subject the Issuing and Paying Agent Agreement to termination for breach. Any subcontract entered into by the Issuing and Paying Agent for work to be performed under the Issuing and Paying Agent Agreement must include an identical provision.

Section 7. Access and Accommodations.

The Issuing and Paying Agent represents and certifies that:

- A. The Issuing and Paying Agent shall comply with the Americans with Disabilities Act, as amended, 42 U.S.C. Section 12101 et seq., the Rehabilitation Act of 1973, as amended, 29 U.S.C. Section 701 et seq., the Fair Housing Act, and its implementing regulations and any subsequent amendments, and California Government Code Section 11135;
- B. The Issuing and Paying Agent shall not discriminate on the basis of disability or on the basis of a person's relationship to, or association with, a person who has a disability;
- C. The Issuing and Paying Agent shall provide reasonable accommodation upon request to ensure equal access to City-funded programs, services and activities;
- D. Construction will be performed in accordance with the Uniform Federal Accessibility Standards (UFAS), 24 C.F.R. Part 40; and
- E. The buildings and facilities used to provide services under the Issuing and Paying Agent Agreement are in compliance with the federal and state standards for accessibility as set forth in the 2010 ADA Standards, California Title 24, Chapter 11, or other applicable federal and state law.

The Issuing and Paying Agent understands that the City is relying upon these certifications and representations as a condition to funding the Issuing and Paying Agent Agreement. Any subcontract entered into by the Issuing and Paying Agent for work to be performed under the Issuing and Paying Agent Agreement must include an identical provision.

Section 8. Contractor Responsibility Ordinance. The Issuing and Paying Agent shall comply with the Contractor Responsibility Ordinance, LAAC Section 10.40 et seq., as amended from time to time.

Section 9. Restrictions on Campaign Contributions and Fundraising in City Elections. Unless otherwise exempt, if the Issuing and Paying Agent Agreement is valued at \$100,000 or more and requires approval by an elected City office, the Issuing and Paying Agent, the Issuing and Paying Agent's principals, and the Issuing and Paying Agent's subcontractors expected to receive at least \$100,000 for performance under the Issuing and Paying Agent Agreement, and the principals of those subcontractors (the "Restricted Persons") shall comply with Charter Section 470(c)(12) and Los Angeles Municipal Code ("LAMC") Section 49.7.35. Failure to comply entitles the City to terminate the Issuing and Paying Agent Agreement and to

pursue all available legal remedies. Charter Section 470(c)(12) and LAMC Section 49.7.35 limit the ability of the Restricted Persons to make campaign contributions to and engage in fundraising for certain elected City officials or candidates for elected City office for twelve months after the Issuing and Paying Agent Agreement is signed. Additionally, a contractor (i.e., the Issuing and Paying Agent) subject to Charter Section 470(c)(12) is required to comply with disclosure requirements by submitting a completed and signed Ethics Commission Form 55 and to amend the information in that form as specified by law. Any contractor (i.e., the Issuing and Paying Agent) subject to Charter Section 470(c)(12) shall include the following notice in any contract with any subcontractor to receive at least \$100,000 for performance under the Issuing and Paying Agent Agreement:

“Notice Regarding Restrictions on Campaign Contributions and Fundraising in City Elections.

You are a subcontractor in connection with the Second Amended and Restated Issuing and Paying Agent Agreement, dated as of October 1, 2021 (the “Issuing and Paying Agent Agreement”), by and between the City of Los Angeles (the “City”) and U.S. Bank National Association, as the Issuing and Paying Agent. Pursuant to the City of Los Angeles Charter Section 470(c)(12) and related ordinances, you and your principals are prohibited from making campaign contributions to and fundraising for certain elected City of Los Angeles officials and candidates for elected City office for twelve months after the Issuing and Paying Agent Agreement is signed. You are required to provide the names and contact information of your principals to the Issuing and Paying Agent and to amend that information within ten business days if it changes during the twelve month time period. Failure to comply may result in termination of the Issuing and Paying Agent Agreement and any other available legal remedies. Information about the restrictions may be found online at ethics.lacity.org or by calling the Los Angeles City Ethics Commission at (213) 978-1960.”

Section 10. Contractor’s Use of Criminal History for Consideration of Employment Applications. The Issuing and Paying Agent shall comply with the City’s “Contractor Use of Criminal History for Consideration of Employment Applications” Ordinance, LAAC Section 10.48 et seq., as amended from time to time. Any subcontract entered into by the Issuing and Paying Agent for work to be performed under the Issuing and Paying Agent Agreement must include an identical provision.

Exhibit A

Schedule of Fees for Services as Issuing and Paying Agent

[See attached pages]

Exhibit B

FORM OF WRITTEN REQUISITION

Wastewater No. _____

City of Los Angeles
Wastewater System,
Commercial Paper Revenue Notes

REQUISITION FOR COSTS OF ISSUANCE

Account No. _____

The undersigned Authorized City Representative hereby states and certifies that:

(i) U.S. Bank National Association, as paying agent (the “Paying Agent”) under that certain Amended and Restated Issuing and Paying Agent Agreement (the “Paying Agent Agreement”), dated as of October 1, 2018, by and between the City of Los Angeles (the “City”) and the Paying Agent, is hereby requested to pay the payees from the Costs of Issuance Fund established under the Paying Agent Agreement or to the City for payment by the City to the person, firm or corporation designated below as “Payee” the sum set forth opposite such designation, in payment or reimbursement of a portion of the Costs of Issuance, for the purposes listed below:

<u>Payee</u>	<u>Purpose/Contract</u>	<u>Amount</u>
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(ii) the amounts to be disbursed hereunder constitute a Cost of Issuance and said amounts are required to be disbursed pursuant to a contract entered into therefor by or on behalf of the City, or were necessarily and reasonably incurred and said amounts are not being paid in advance of the time, if any, fixed for payment;

(iii) no amounts as set forth in this Requisition will be included in any other Requisition;

(iv) the amounts remaining in the Costs of Issuance Fund will, after payment of the amounts set forth above, be sufficient to pay all remaining Costs of Issuance as currently estimated; and

(v) the total amount to be paid under this requisition is \$_____ and such amount shall be paid to the payees indicated in paragraph (i) above.

CITY OF LOS ANGELES

By: _____
Authorized City Representative

Date:

ATTACHMENT I

\$400,000,000
CITY OF LOS ANGELES
WASTEWATER SYSTEM
COMMERCIAL PAPER REVENUE NOTES

DEALER AGREEMENT

This Dealer Agreement (this “Agreement”), dated as of [____], 20[___], is entered into between the City of Los Angeles, California (the “City”), and [____] (the “Dealer”).

RECITALS

WHEREAS, on March 26, 1991, the City Council (the “Council”) adopted a Wastewater System Subordinate Revenue Bonds General Resolution, as amended and supplemented through the date hereof and as it may be further amended and supplemented from time to time (collectively, the “Subordinate General Resolution”) providing for the issuance of obligations secured by and payable from the revenues of the City’s Wastewater System, but on a subordinate basis to the City’s Wastewater System Revenue Bonds issued from time to time under the Wastewater System Revenue Bonds General Resolution adopted by the Council on November 10, 1987, as supplemented and amended from time to time;

WHEREAS, on March 26, 1991, the Council also adopted a Wastewater System Subordinate Revenue Bonds First Supplemental Resolution, as amended and supplemented through the date hereof (collectively, the “Original First Supplemental Resolution”);

WHEREAS, the City’s commercial paper program is authorized under the terms of the Subordinate General Resolution and an Amended and Restated First Supplemental Resolution Supplementing and Amending the Wastewater System Subordinate Revenue Bonds General Resolution and Certain Supplemental Resolutions thereto and Amending and Restating the Wastewater System Subordinate Revenue Bonds First Supplemental Resolution, adopted by the City Council on October 8, 2021, as it may be amended and supplemented from time to time (the “Subordinate CP Supplemental Resolution” and together with the Subordinate General Resolution, the “Subordinate CP Resolution”);

WHEREAS, the City and U.S. Bank National Association have entered into a Second Amended and Restated Issuing and Paying Agent Agreement, dated as of October 1, 2021 (as more particularly defined herein, the “Issuing and Paying Agent Agreement”), pursuant to which U.S. Bank National Association acts as Issuing and Paying Agent for the Commercial Paper Notes;

WHEREAS, the Commercial Paper Notes will be issued in accordance with the Issuing and Paying Agent Agreement and will be secured by Revenues (as defined in the Subordinate General Resolution), and each Series or subseries of Commercial Paper Notes will be further secured by the related Credit Facility (as defined herein);

WHEREAS, the Dealer has agreed to act as a dealer for the Commercial Paper Notes and to perform the duties imposed by this Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the City and Dealer hereby agree as follows:

1. Definitions. Capitalized terms used and not otherwise defined in this Agreement shall have the meanings ascribed to them in Subordinate CP Resolution or the Issuing and Paying Agent Agreement. The following capitalized terms, when used in this Agreement, shall have the following meanings:

“Bank” or “Related Bank” or “Banks” means, individually or collectively, as applicable, with respect to any Series of Commercial Paper Notes, a provider or providers of a Credit Facility with respect to such Series of Commercial Paper Notes, or its successors and assigns, or upon delivery of a Substitute Credit Facility with respect to such Series of Commercial Paper Notes, any Substitute Bank issuing a Substitute Credit Facility with respect to such Series of Commercial Paper Notes. “Related Bank” means the Bank whose Credit Facility is to support the payment of specific Series or subseries of Commercial Paper Notes.

“Commercial Paper Notes” means the City’s Wastewater System Commercial Paper Revenue Notes, Tax-Exempt Series A and Taxable Series B in the form contemplated by and with terms consistent with limits specified in the Subordinate CP Resolution.

“Credit Facility,” “related Credit Facility” or “applicable Credit Facility” or “Credit Facilities” means, individually and collectively, as applicable with respect to any Series of Commercial Paper Notes, an irrevocable direct-pay letter of credit, a line or lines of credit, a noncancellable insurance policy or other credit facility provided by a provider or providers to facilitate the timely payment of the principal of and interest on such Series of Commercial Paper Notes, including any and all modifications, amendments and supplements thereto, and upon the issuance of any Substitute Credit Facility with respect to such Series of Commercial Paper Notes, such Substitute Credit Facility.

“DTC” means The Depository Trust Company.

“Issuing and Paying Agent” means U.S. Bank National Association, in its capacity as Issuing and Paying Agent, or any successor thereto, as a party to the Issuing and Paying Agent Agreement.

“Issuing and Paying Agent Agreement” means the Second Amended and Restated Issuing and Paying Agent Agreement, dated as of October 1, 2021, between the City and the Issuing and Paying Agent, and any further amendment or supplement thereto or restatement thereof, or new issuing and paying agent agreement pursuant to which the Commercial Paper Notes are issued.

“Substitute Bank” means with respect to one or more Series of Commercial Paper Notes, a provider or providers of an applicable Substitute Credit Facility, and its successors and assigns.

“Substitute Credit Facility” means with respect to one or more Series of Commercial Paper Notes, an irrevocable letter of credit, a line or lines of credit, a noncancellable insurance policy or other credit facility provided by a Substitute Bank to facilitate the timely payment of the principal of and interest on such Series of Commercial Paper Notes in accordance with the provisions of

Section 8.02 of the Subordinate CP Supplemental Resolution, and any and all modifications, amendments, restatements and supplements thereto.

2. Appointment of Dealer; Responsibilities of Dealer.

(a) Appointment of Dealer. Subject to the terms and conditions herein contained, the City hereby appoints Dealer, and Dealer hereby accepts such appointment, as a non-exclusive dealer for the City in connection with the offering and sale of the Commercial Paper Notes. Dealer acknowledges that the City may enter into dealer agreements with other dealers in connection with the offering and sale of the Commercial Paper Notes.

(b) Duties of Dealer. The City shall have the right to allocate the Commercial Paper Notes to Dealer and among the other dealers for the Commercial Paper Notes (provided that if such dealer is not a dealer as of the effective date of an applicable Credit Facility, with the prior written consent of the related Bank, such consent not to be unreasonably withheld) as it deems appropriate during the time that this Agreement is effective. In its capacity as dealer, Dealer shall exercise its best efforts to solicit purchases of the portion of the Commercial Paper Notes allocated to it from time to time upon notice by the City. It is understood and agreed that Dealer's responsibilities hereunder will include: (i) soliciting purchases of Commercial Paper Notes from investors that can purchase tax-exempt or taxable commercial paper or other short-term tax-exempt or taxable securities, as applicable, (ii) effecting and processing such purchases, (iii) providing information to the City concerning such purchases in form and substance satisfactory to the City and at the time or times requested by the City, (iv) billing and receiving payment for Commercial Paper Notes purchased and sold, (v) performing all duties and obligations of a dealer with respect to the timing of notifications and payments set forth in the Issuing and Paying Agent Agreement, and (vi) performing such other related functions as may be requested by the City and agreed to by Dealer.

(c) Purchase of Commercial Paper Notes by Dealer. All transactions in the Commercial Paper Notes between Dealer and the City shall be in accordance with the applicable terms of the Subordinate CP Resolution, the Issuing and Paying Agent Agreement, this Agreement and with the customs and practices in the municipal commercial paper market. Such custom and practice shall include the procedures set forth in this Agreement and any other procedures that may be approved by the City in writing in advance. The purchase of the Commercial Paper Notes by Dealer, or sales arranged by Dealer, shall be authorized by representatives of the City the day before the anticipated sale. Before 11:30 A.M., New York time, on each day on which the Commercial Paper Notes, the purchase of which has been solicited by Dealer, are to be issued, Dealer will notify the City, the Issuing and Paying Agent and the Banks of the principal amounts and terms and conditions of such Commercial Paper Notes with respect to which Dealer has received indications of interest from potential purchasers. If the City determines that the terms and conditions available from Dealer are acceptable, the City shall prior to 1:00 p.m., New York time, on such day electronically authorize the Issuing and Paying Agent to release the Commercial Paper Notes. If authorizations or communications described in this Section cannot be delivered electronically, such information will be communicated via

telephone (followed by written confirmation) or facsimile. If, by 11:30 a.m., New York time, on such day, Dealer concludes that it will not be able to sell prior to 11:30 a.m., New York time, on such day, the full amount of Commercial Paper Notes allocated to it, it shall immediately notify the City, the Issuing and Paying Agent and the Banks of such conclusion. The purchase of Commercial Paper Notes by Dealer, or sales arranged by Dealer, shall be negotiated and agreed upon orally between Dealer and the City, and the principal amount of Commercial Paper Notes to be sold, the interest rate applicable thereto, and the maturity thereof shall be so determined. Dealer shall not be obligated to purchase any Commercial Paper Notes unless and until agreement has been reached in each case on the foregoing points and Dealer has agreed to such purchase.

(d) The Commercial Paper Notes. Interest on the Commercial Paper Notes will be calculated on the basis of a 365/366-day year and the actual number of days elapsed with respect to Commercial Paper Notes issued bearing interest on a tax-exempt basis and on the basis of a 360-day year and the actual number of days elapsed with respect to Commercial Paper Notes issued bearing interest on a taxable basis. The Commercial Paper Notes will be issued at par. Dealer shall confirm each transaction made with or arranged by it to the City in writing in Dealer's customary form promptly following each transaction and in any event no later than 1:00 p.m. New York time on the date of each such transaction. The Commercial Paper Notes will be issuable in minimum denominations of \$100,000 and integral multiples of \$1,000 in excess of \$100,000.

(e) Compensation. For services rendered hereunder, the City will pay to Dealer a commission calculated at the rate of [] of one percent ([]%) per annum on the average daily amount of Commercial Paper Notes outstanding and allocated to Dealer. The commission shall be payable by the City quarterly in arrears on each January 1, April 1, July 1 and October 1, commencing [] 1, 20[], upon receipt of an invoice therefor from Dealer not less than 30 days prior to the applicable payment date. The City also agrees to pay the reasonable out-of-pocket expenses of the Dealer incurred in connection with the performance of its obligations hereunder, provided that any such reasonable out-of-pocket expenses of the Dealer have been pre-approved by the City.

(f) Payment and Delivery of the Commercial Paper Notes. Dealer shall pay for the Commercial Paper Notes purchased by Dealer or sold by Dealer in immediate available funds in the manner provided for in the Issuing and Paying Agent Agreement on the business day such Commercial Paper Notes are issued. The Commercial Paper Notes shall be delivered to DTC in accordance with the Issuing and Paying Agent Agreement.

(g) Confirmation of Trades. With respect to all Commercial Paper Notes marketed by Dealer, Dealer will provide to the Issuing and Paying Agent no later than 1:00 p.m. New York time on the date the Commercial Paper Notes are to be issued the following trade information: (i) the amount of such Commercial Paper Notes sold on that date, (ii) the maturity(ies) of such Commercial Paper Notes and (iii) the interest rate(s) on such Commercial Paper Notes. The trade information described in this Section 2 will be delivered electronically to the City and the Issuing and Paying Agent. If such trade

information cannot be delivered electronically, Dealer will communicate such information via telephone (followed by written confirmation) or facsimile.

3. Representations and Warranties of the City. The City hereby represents and warrants to Dealer that:

(a) Power and Authority. It has or had, as applicable, full power and authority to: (i) adopt the Subordinate CP Resolution, (ii) execute and deliver this Agreement, each Credit Agreement and the Issuing and Paying Agent Agreement, and (iii) issue the Commercial Paper Notes and perform its obligations thereunder; and

(b) Legal, Valid, Binding Obligations. The Commercial Paper Notes, when issued and delivered in accordance with the terms of the Subordinate CP Resolution and the Issuing and Paying Agent Agreement, will be duly authorized, executed and issued and will constitute legal, valid and binding obligations of the City enforceable in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws, judicial decisions or principles of equity relating to or affecting the enforcement of creditors' rights or contractual obligations generally, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State of California.

4. Representations and Warranties of Dealer.

Dealer hereby represents and warrants to the City that:

(a) Organization; Power; Authority. It is duly organized, validly existing and in good standing under applicable laws of the state of its incorporation and has full power and authority to execute and deliver this Agreement; and

(b) Legal, Valid, Binding Obligation. This Agreement, when executed and delivered to the City, will be duly authorized and will constitute a legal, valid and binding obligation of Dealer enforceable in accordance with its terms, except as may be limited to bankruptcy, insolvency, reorganization, moratorium or other laws, judicial decisions or principles of equity relating to or affecting the enforcement of creditors' rights or contractual obligations generally.

5. Covenants and Agreements of the City.

(a) Notice of Events of Default. The City will promptly notify the Dealer of any fact or circumstance which may constitute, or with the passage of time will constitute, an event of default under the Commercial Paper Notes, the Subordinate CP Resolution or a Credit Agreement.

(b) Opinions. The City will notify the Dealer promptly in the event that the City Administrative Officer has received actual notice that the approving opinion of Bond Counsel with respect to the Commercial Paper Notes has been withdrawn, adversely modified or retracted.

(c) Tax Exemption. The City will take all action within its control necessary to maintain the exclusion of interest on the Commercial Paper Notes designated as Tax-Exempt Series A from the gross income of the holders thereof for federal income tax purposes.

(d) Credit Facilities. The City will notify the Dealer of the replacement or substitution of any Credit Facility in accordance with Section 8.02 of the Subordinate CP Supplemental Resolution.

6. Furnishing of Disclosure Materials.

(a) General Information. The City agrees to furnish the Dealer with such information with respect the City, the System and the Commercial Paper Notes as the Dealer shall reasonably request from time to time.

(b) Offering Memorandum. The City agrees to cooperate with the Dealer in the preparation from time to time of amendments or supplements to the offering memoranda relating to the Commercial Paper Notes (collectively, the “Offering Memorandum”) or a new offering memorandum for any of the Commercial Paper Notes in the event the Dealer reasonably determines that the preparation and distribution of such Offering Memorandum is necessary or desirable in connection with offering and sale on behalf of the City of such Commercial Paper Notes, and to furnish or to cause to be furnished to the Dealer as many copies of such new Offering Memorandum as the Dealer shall request.

7. Depository Trust Company. The Commercial Paper Notes will be issued in accordance with the book-entry only procedures established by DTC.

8. Conditions Precedent. At or promptly following the execution of this Agreement and as a condition precedent to any obligations of Dealer under this Agreement, the City shall furnish to Dealer the following documents, in form and substance reasonably satisfactory to Dealer:

(a) A certified copy of each Credit Facility;

(b) Certified copies of the Subordinate CP Resolution and this Agreement, together with any amendment or supplement to either of them relating to the Commercial Paper Notes;

(c) A certified copy of the Issuing and Paying Agent Agreement and any amendment and supplements thereto;

(d) At the time of delivery thereof, a copy of the opinion of Bond Counsel delivered in connection with the initial issuance of Commercial Paper Notes after the execution and delivery hereof; and

(e) All other pertinent legal documents supporting this transaction.

9. Notices. Except as otherwise specifically provided herein, all notices required under the terms and provisions of this Agreement shall be in writing and either (i) hand-delivered, (ii) sent by electronic means, or (iii) mailed by registered or certified mail, return receipt requested, postage prepaid, to the address specified below.

If to the City: City of Los Angeles
Office of the City Administrative Officer, Room 1500
City Hall East,
200 North Main Street
Los Angeles, California 90012
Attention: Chief of Debt Management
Telephone: (213) 473-7500
Facsimile: (213) 473-7540

If to Dealer: []
[]
[]
Attention: []
Telephone: ([]) []-[]
Facsimile: ([]) []-[]

If to the Issuing
and Paying Agent: To its addresses as indicated in the Issuing and Paying
Agent Agreement

Notwithstanding the foregoing, any of the foregoing parties, or their successors, may designate a different address from time to time by notice duly given in accordance with the terms of this Section 9.

10. Termination and Suspension.

(a) Termination. This Agreement may be terminated by the City at any time. This Agreement may be terminated by Dealer at any time upon sixty (60) days' prior written notice to the City or such earlier date on which a successor Dealer has been appointed by the City. No such termination shall affect the obligations of Dealer to the extent Commercial Paper Notes purchased or sold by Dealer are outstanding.

(b) Suspension. Notwithstanding anything to the contrary contained herein, the Dealer may, in its sole discretion, upon not less than thirty (30) days' prior written notice to the City of its election to do so, suspend its efforts with respect to the offer or sale of the Commercial Paper Notes upon the occurrence of any of the following events (except that, only in the case of paragraph (6) below, such suspension may occur immediately upon delivery of the notice of the election of the Dealer to suspend its obligations hereunder referenced in such paragraph), which suspension will continue so long as, in the Dealer's reasonable judgment, such event continues to exist as to the Commercial Paper Notes:

(1) upon the receipt from the City of notice of the occurrence of an event of default under the Subordinate CP Resolution or the applicable Credit Agreement;

(2) suspension or material limitation in trading in securities generally on the New York Stock Exchange;

(3) a general moratorium on commercial banking activities in New York is declared by federal or New York State authorities or a major financial crisis or material disruption in commercial banking or securities settlement or clearance services which, in the Dealer's reasonable judgment (after consultation with the City) has a materially adverse effect on the marketability of the Commercial Paper Notes or the market price thereof;

(4) the engagement or escalation by the United States in hostilities or a national or international calamity or crisis which, in the Dealer's reasonable judgment (after consultation with the City), makes it impractical or inadvisable to proceed with the solicitation of offers to purchase the Commercial Paper Notes;

(5) legislation shall be introduced by committee, by amendment or otherwise, in, or be enacted by, the House of Representatives or the Senate of the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the United States Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made or proposed, to the effect that the offering or sale of obligations of the general character of the Commercial Paper Notes, as contemplated hereby, is or would be in violation of any provision of the Securities Act of 1933, as amended (the "Securities Act") as then in effect, or the Securities Exchange Act of 1934, as amended (the "Exchange Act") as then in effect, or with the purpose or effect of otherwise prohibiting the offering or sale of obligations of the general character of the Commercial Paper Notes, or the Commercial Paper Notes themselves, as contemplated hereby;

(6) (i) any event shall occur or information shall become known, which, in the Dealer's reasonable judgment, makes untrue, incorrect or misleading in any material respect any statement or information contained in any disclosure documents used by the Dealer in connection with the performance of its duties hereunder, whether provided pursuant to Section 6 hereof or otherwise, or causes such documents to contain an untrue, incorrect or misleading statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, (ii) the Dealer has so notified the City and the City has failed within a reasonable time thereafter to provide the Dealer with an amendment or supplement to such disclosure document or an updated offering memorandum in accordance with Section 6(b) hereof, and (iii) the Dealer has thereafter provided written notice to the City (delivered in accordance with Section 9 hereof) of its election to suspend its obligations under this Agreement;

(7) any governmental authority shall impose, as to the Commercial Paper Notes, or obligations of the general character of the Commercial Paper Notes,

any material restrictions regarding the ownership or transfer of the Commercial Paper Notes not now in force, or increase materially those now in force;

(8) any of the representations and warranties of the City made hereunder shall not have been materially true and correct on the date made;

(9) the City fails to observe any of the covenants or agreements made herein and such failure continues for a period of thirty days from the time the Dealer notifies the City of such failure;

(10) any of the Rating Agencies then rating the Commercial Paper Notes or the applicable Bank shall either (i) downgrade the ratings assigned to either the Commercial Paper Notes or the applicable Bank so that the short-term ratings assigned to such Commercial Paper Notes or such Bank are downgraded below “A-2” by S&P, “P-2” by Moody’s or “F2” by Fitch or (ii) suspend or withdraw the then current ratings assigned to either the Commercial Paper Notes or the applicable Bank and, in each case, which in the Dealer’s reasonable judgment makes it impractical to market the Commercial Paper Notes or to enforce contracts for the sale of the Commercial Paper Notes; or

(11) an actual or imminent default or a moratorium in respect of payment of any U.S. Treasury bills, bonds or notes the effect of which in the Dealer’s reasonable judgment makes it impractical to market the Commercial Paper Notes or to enforce contracts for the sale of the Commercial Paper Notes.

11. Standard Provisions for City Contracts. Certain standard provisions for City contracts are attached hereto as Attachment A and are hereby incorporated by reference into this Agreement, and the Dealer agrees to be subject to all of such provisions. Anything herein to the contrary notwithstanding, to the extent of any conflict between Attachment A attached hereto and the other provisions of this Agreement, the other provisions of this Agreement shall be controlling.

12. City Reliance. The Dealer understands that the City is relying upon the certifications and representations set forth in Section 11 and Attachment A incorporated by reference into this Agreement thereby as a condition to appointment of [_____] as a Dealer for the Commercial Paper Notes. Any subcontract entered into by the Dealer for work to be performed under this Agreement must include an identical provision.

13. Contracting Forms. The forms required for contracting with the City previously submitted to the City by the Dealer in connection with this Agreement are hereby affirmed and are hereby incorporated by reference with the same effect as if each and every such form was set forth herein in its entirety.

14. No Advisory or Fiduciary Role.

The City and Dealer acknowledge and agree that (i) the placement of Commercial Paper Notes by Dealer pursuant to this Agreement is an arm’s length commercial transaction between the City and Dealer and Dealer has financial and other interests that may differ from those of the City; (ii) in connection therewith and with the discussions, undertakings and procedures leading

up to the consummation of such transaction, Dealer is and has been acting solely as a principal and is not acting as the financial advisor, municipal advisor or fiduciary of the City; (iii) Dealer has not assumed an advisory or fiduciary responsibility in favor of the City with respect to the transactions contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether Dealer has provided other services or is currently providing other services to the City on other matters) and Dealer has no obligation to the City with respect to the transactions contemplated hereby except the obligations expressly set forth in the Subordinate CP Resolution, the Issuing and Paying Agent Agreement and in this Agreement; and (iv) the City has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

15. Miscellaneous.

(a) Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California. Any and all disputes or legal actions or proceedings arising out of, under and/or pertaining to this Agreement or any document related thereto shall be brought in the courts of the State of California located in the County of Los Angeles or the courts of the United States of America serving the County of Los Angeles jurisdiction and, by execution and delivery of this Agreement, the parties hereto consent to and hereby accept for themselves and in respect of their property, generally and unconditionally, the jurisdiction of the aforesaid courts. To the extent permitted by law, the parties hereto hereby irrevocably waive any objection, including, without limitation, any objection to the laying of venue or based on the grounds of forum non conveniens, which they may now or hereafter have to the bringing of any such action or proceedings in such respective jurisdictions.

(b) Successors and Assigns. This Agreement shall be binding on and inure to the benefit of the respective successors and assigns of the parties to this Agreement. The terms “successors” and “assigns” shall not include any purchaser of any of the Commercial Paper Notes merely because of such purchase.

(c) Entire Agreement. This Agreement, together with the Subordinate CP Resolution, the Issuing and Paying Agent Agreement and other agreements referred to herein, constitutes the entire understanding of the parties with respect to its subject matter, and supersedes any and all prior or contemporaneous written or oral agreements.

(d) Waiver. The failure of either party at any time to require performance by the other party of any provision hereof shall not affect in any way the full right to require such performance at any time thereafter, nor shall the waiver by either party of a breach of any provision hereof be taken or held to be a waiver of the provision itself.

(e) Modification. This Agreement may not be modified or amended except by a written agreement executed by both parties and only to the extent set forth therein.

(f) Counterparts. This Agreement may be executed in counterparts, both of which together shall constitute a single instrument, and each of which shall be deemed an original of this Agreement for all purposes, notwithstanding that less than all signatures appear on any one counterpart.

(g) Section Headings. The various section headings in this Agreement are inserted for convenience of reference only, and shall not affect the meaning or interpretation of this Agreement or any provision hereof.

(h) Holidays. When performance of an obligation or satisfaction of a condition set forth in this Agreement is required on or by a date that is a Saturday, Sunday, or legal holiday in California or New York, such performance or satisfaction shall instead be required on or by the next business day following that Saturday, Sunday, or holiday, notwithstanding any other provisions of this Agreement.

(i) Time. Time is of the essence in this Agreement and each and every provision of this Agreement.

(j) Severability. If any paragraph, section, sentence, clause or phrase contained in this Agreement becomes or is held by any court of competent jurisdiction to be illegal, null or void or against public policy, the remaining paragraphs, sections, sentences, clauses or phrases contained in this Agreement shall not be affected thereby.

(k) Ambiguities Not to be Construed Against Drafting Party. The doctrine that any ambiguity contained in a contract shall be construed against the party whose counsel has drafted the contract is expressly waived by each of the parties hereto with respect to this Agreement.

(l) Rights Cumulative. The rights of each of the parties under this Agreement are cumulative and may be exercised as often as any party considers appropriate.

(m) Construction. Unless the context otherwise requires, singular nouns and pronouns, when used herein, shall be deemed to include the plural of such noun or pronoun and pronoun of the one gender shall be deemed to include the equivalent pronoun of the other gender.

(n) Assignment. This Agreement may not be assigned by Dealer without the prior written consent of the City, which consent the City may grant or withhold in its sole and absolute discretion. Any attempted assignment by Dealer without the prior written consent of the City shall be voidable by the City upon written notice effective on the date specified in such notice.

(Signature Page to Follow)

IN WITNESS WHEREOF, the parties to this Agreement have caused this Agreement to be duly executed and delivered by their respective officers as of the day and year stated above.

CITY OF LOS ANGELES

By: _____
Name: _____
Title: _____

Approved as to Form:

MICHAEL N. FEUER
City Attorney

By: _____
Deputy/Assistant City Attorney

[NAME OF DEALER]

By: _____
Name: _____
Title: _____

Attachment A

City's Standard Provisions

The Dealer agrees to be subject to the following provisions unless otherwise exempt from any of such provisions or unless any of such provisions are not applicable. Anything herein to the contrary notwithstanding, to the extent of any conflict between the provisions of this Attachment A and the other provisions of the Dealer Agreement (the "Agreement"), the other provisions of the Agreement shall be controlling.

Section 1. Independent Contractor. The Dealer is an independent contractor and not an agent or employee of the City. The Dealer shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees or agents to be an agent or employee of the City.

Section 2. Retention of Records, Audits and Reports. The Dealer shall maintain all records, including records of financial transactions, pertaining to the performance of this Agreement, in their original form or as otherwise approved by the City. These records shall be retained for a period of no less than three years from the later of the following: (1) final payment made by the City, (2) the expiration of this Agreement or (3) termination of this Agreement. The records will be subject to examination and audit by authorized City personnel or the City's representatives at any time. The Dealer shall provide any reports requested by the City regarding performance of this Agreement. Any subcontract entered into by the Dealer for work to be performed under this Agreement must include an identical provision.

In lieu of retaining the records for the term as prescribed in this provision, the Dealer may, upon the City's written approval, submit the required information to the City in an electronic format, e.g. USB flash drive, at the expiration or termination of this Agreement.

Section 3. Taxpayer Identification Number ("TIN") and Withholding Taxes. The Dealer declares that it has an authorized TIN which will be provided to the City on Form W-9 or such equivalent form prior to payment under the Agreement. Payments made under the Agreement shall be subject to any federal or state taxes as may be required to be withheld pursuant to any applicable law or regulation, unless otherwise exempted by such applicable law, regulations, or other evidence of exemption.

Section 4. Indemnification. The Dealer shall defend, indemnify and hold harmless the City and the City's boards, officers, agents, employees, assigns and successors in interest from and against all suits and causes of action, claims, losses, demands and expenses, including but not limited to attorneys' fees and costs of litigation, to the extent such suits and causes of action, claims, losses, demands and expenses arise out of or are based upon information provided by the Dealer to the City for use in the Offering Memorandum under the heading "DEALERS."

Section 5. Insurance. During the term of the Agreement and without limiting the Dealer's obligation to indemnify, hold harmless and defend the City, the Dealer shall provide and maintain at its own expense professional liability insurance in the amount of One Million Dollars (\$1,000,000) which covers the services performed pursuant to Agreement, and that it will expend every reasonable effort to keep such insurance or its equivalent in effect at all times during

performance of the Agreement and for one (1) year after the termination of the Agreement. The insurance must: (1) conform to the City's requirements; (2) comply with the Insurance Contractual Requirements attached to the Request for Qualifications, and (3) otherwise be in a form acceptable to the Office of the City Administrative Officer, Risk Management.

Section 6. Warranty and Responsibility of the Dealer. The Dealer warrants that the work performed under the Agreement shall be completed in a manner consistent with professional standards practiced among those firms within the Dealer's profession, doing the same or similar work under the same or similar circumstances.

Section 7. Mandatory Provisions Pertaining to Non-Discrimination in Employment.

Unless otherwise exempt, this Agreement is subject to the applicable non-discrimination, equal employment practices, and affirmative action program provisions in the Los Angeles Administrative Code ("LACC") Section 10.8 et seq., as amended from time to time.

- A. The Dealer shall comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the City. In performing this Agreement, the Dealer shall not discriminate in any of its hiring or employment practices against any employee or applicant for employment because of such person's race, color, religion, national origin, ancestry, sex, sexual orientation, gender, gender identity, age, disability, domestic partner status, marital status or medical condition.
- B. The provisions of Section 10.8.3 of the LAAC are incorporated and made a part of this Agreement by reference and will be known as the "Equal Employment Practices" provisions of this Agreement.
- C. The provisions of Section 10.8.4 of the LAAC are incorporated and made a part of this Agreement by reference and will be known as the "Affirmative Action Program" provisions of this Agreement.

Any subcontract entered into by the Dealer for work to be performed under this Agreement must include an identical provision.

Section 8. Child Support Assignment Orders. The Dealer shall comply with the Child Support Assignment Orders Ordinance, Section 10.10 of the LAAC, as amended from time to time. Pursuant to Section 10.10(b) of the LAAC, the Dealer (and any subcontractor of the Dealer providing services to the City under this Agreement) shall (1) fully comply with all State and Federal employment reporting requirements for the Dealer's or the subcontractor's employees; (2) certify that the principal owner(s) of the Dealer and applicable subcontractor are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code Section 5230, et seq.; and (4) maintain such compliance throughout the term of this Agreement.

Failure of the Dealer or an applicable subcontractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment or Notices of Assignment, or the failure of any principal owner(s) of the Dealer or applicable subcontractor to

comply with any Wage and Earnings Assignment or Notices of Assignment applicable to them personally, shall constitute a default by the Dealer under this Agreement. Failure of the Dealer or applicable subcontractor or principal owner to cure the default within 90 days of the notice of default will subject this Agreement to termination for breach. Any subcontract entered into by the Dealer for work to be performed under this Agreement must include an identical provision.

Section 9. Access and Accommodations.

The Dealer represents and certifies that:

- A. The Dealer shall comply with the Americans with Disabilities Act, as amended, 42 U.S.C. Section 12101 et seq., the Rehabilitation Act of 1973, as amended, 29 U.S.C. Section 701 et seq., the Fair Housing Act, and its implementing regulations and any subsequent amendments, and California Government Code Section 11135;
- B. The Dealer shall not discriminate on the basis of disability or on the basis of a person's relationship to, or association with, a person who has a disability;
- C. The Dealer shall provide reasonable accommodation upon request to ensure equal access to City-funded programs, services and activities;
- D. Construction will be performed in accordance with the Uniform Federal Accessibility Standards (UFAS), 24 C.F.R. Part 40; and
- E. The buildings and facilities used to provide services under this Agreement are in compliance with the federal and state standards for accessibility as set forth in the 2010 ADA Standards, California Title 24, Chapter 11, or other applicable federal and state law.

The Dealer understands that the City is relying upon these certifications and representations as a condition to funding this Agreement. Any subcontract entered into by the Dealer for work to be performed under this Agreement must include an identical provision.

Section 10. Contractor Responsibility Ordinance. The Dealer shall comply with the Contractor Responsibility Ordinance, LAAC Section 10.40 et seq., as amended from time to time.

Section 11. Restrictions on Campaign Contributions and Fundraising in City Elections. Unless otherwise exempt, if this Agreement is valued at \$100,000 or more and requires approval by an elected City office, the Dealer, the Dealer's principals, and the Dealer's subcontractors expected to receive at least \$100,000 for performance under this Agreement, and the principals of those subcontractors (the "Restricted Persons") shall comply with Charter Section 470(c)(12) and Los Angeles Municipal Code ("LAMC") Section 49.7.35. Failure to comply entitles the City to terminate this Agreement and to pursue all available legal remedies. Charter Section 470(c)(12) and LAMC Section 49.7.35 limit the ability of the Restricted Persons to make campaign contributions to and engage in fundraising for certain elected City officials or candidates for elected City office for twelve months after this Agreement is signed. Additionally, a contractor (i.e., the Dealer) subject to Charter Section 470(c)(12) is required to comply with disclosure requirements by submitting a completed and signed Ethics Commission Form 55 and to amend the information in that form as specified by law. Any contractor (i.e., the Dealer) subject to Charter

Section 470(c)(12) shall include the following notice in any contract with any subcontractor to receive at least \$100,000 for performance under this Agreement:

“Notice Regarding Restrictions on Campaign Contributions and Fundraising in City Elections.

You are a subcontractor in connection with the Commercial Paper Dealer Agreement, dated as of [____], 20[___] (the “Dealer Agreement”), by and between the City of Los Angeles (the “City”) and [____], as the Dealer. Pursuant to the City of Los Angeles Charter Section 470(c)(12) and related ordinances, you and your principals are prohibited from making campaign contributions to and fundraising for certain elected City of Los Angeles officials and candidates for elected City office for twelve months after the Dealer Agreement is signed. You are required to provide the names and contact information of your principals to the Dealer and to amend that information within ten business days if it changes during the twelve month time period. Failure to comply may result in termination of the Dealer Agreement and any other available legal remedies. Information about the restrictions may be found online at ethics.lacity.org or by calling the Los Angeles City Ethics Commission at (213) 978-1960.”

Section 12. Contractor’s Use of Criminal History for Consideration of Employment Applications. The Dealer shall comply with the City’s “Contractor Use of Criminal History for Consideration of Employment Applications” Ordinance, LAAC Section 10.48 et seq., as amended from time to time. Any subcontract entered into by the Dealer for work to be performed under this Agreement must include an identical provision.