

**REPORT FROM:**

**OFFICE OF THE CITY ADMINISTRATIVE OFFICER**

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Date: May 8, 2023

CAO File No. 0220-05291-1353  
Council File No. 22-1410  
Council District: All

To: The Council  
The Mayor

From: Matthew W. Szabo, City Administrative Officer



Reference: Solid Waste Resources Revenue Program

Subject: **ISSUANCE OF SOLID WASTE RESOURCES REVENUE BONDS, SERIES 2023-A**

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**RECOMMENDATIONS**

That the Council:

1. ADOPT an Authorizing Resolution, which authorizes the issuance of the Solid Waste Resources Revenue Bonds, Series 2023-A in an aggregate principal amount not to exceed \$230 million to be sold on a negotiated basis, authorizes the execution and delivery of certain documents, including the Fourteenth Supplemental Trust Agreement and the Amended and Restated Master Trust Agreement, declaring the City's intention to reimburse the Solid Waste Resources Revenue Fund (SWRRF) and/or Public Works Trust Fund from proceeds of the anticipate issuance of the Bonds, and approves the City Administrative Officer to take necessary actions required to carry out the transaction;

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

2. INSTRUCT the City Attorney, at any time prior to the issuance of the next Solid Waste Resources Revenue Bonds, to amend and restate certain provisions of the procedural ordinance establishing procedures for the issuance and sale of Solid Waste Resources Revenue Bonds, codified in Article 6.4 of Chapter 1 of Division 11 of the Los Angeles Administrative Code, to modernize issuance procedures, including the elimination of the requirement to have one manual signature for the Bonds, and make other clarifying changes to the projects allowed to be financed with such Bonds, and any other changes deemed to be in the best interest of the City as determined by the City Attorney;
3. ADOPT the Fund Ordinance to create a new special fund for the administration of the bond proceeds in connection with the Solid Waste Resources Revenue Bonds, 2023-A, and make clarifying changes with respect to the administration of the Solid Waste Resources Special

Revenue Fund and Multi-Family Bulky Item Fee Special Revenue Fund, as submitted by the City Attorney under separate cover;

4. TRANSFER \$496,231.51 in appropriations within of the SWRRF No. 508/50 for debt service in connection with the outstanding Solid Waste Resources Revenue Bonds, Series 2013-A, 2013-B, 2015-A, and 2018-A (Outstanding Bonds) as indicated below;

**Transfer FROM:**

Account	Name	Amount
50WU59	Solid Waste Resources Revenue Bonds 2013-B – Principal	\$ 54,477.27
50WU60	Solid Waste Resources Revenue Bonds 2013-B – Interest	96,556.27
50WU61	Solid Waste Resources Revenue Bonds 2015-A – Principal	60,081.30
50WU62	Solid Waste Resources Revenue Bonds 2015-A – Interest	285,116.67
	<b>Total:</b>	<b>\$ 496,231.51</b>

**Transfer TO:**

Account	Name	Amount
50WU57	Solid Waste Resources Revenue Bonds 2013-A – Principal	<b>\$ 496,231.51</b>

5. APPROPRIATE \$7,096,072.33 from the available cash balance within the SWRRF No. 508/50 for debt service in connection with the Outstanding Bonds to the accounts as indicated below;

Account	Name	Amount
50WU57	Solid Waste Resources Revenue Bonds 2013-A – Principal	\$ 2,362,101.82
50WU58	Solid Waste Resources Revenue Bonds 2013-A – Interest	319,220.51
50WU63	Solid Waste Resources Revenue Bonds 2018-A – Principal	2,789,583.33
50WU63	Solid Waste Resources Revenue Bonds 2018-A – Principal	1,625,166.67
	<b>Total:</b>	<b>\$ 7,096,072.33</b>

6. TRANSFER \$10,066,385.40 from the SWRRF Fund 508/50 to U.S. Bank, the Trustee, for debt service in connection with the Outstanding Bonds as indicated below; and

Account	Name	Amount
50WU57	Solid Waste Resources Revenue Bonds 2013-A – Principal	\$ 2,858,333.33
50WU58	Solid Waste Resources Revenue Bonds 2013-A – Interest	319,666.67
50WU59	Solid Waste Resources Revenue Bonds 2013-B – Principal	372,916.67
50WU60	Solid Waste Resources Revenue Bonds 2013-B – Interest	56,468.73
50WU61	Solid Waste Resources Revenue Bonds 2015-A – Principal	2,004,166.67
50WU62	Solid Waste Resources Revenue Bonds 2015-A – Interest	40,083.33
50WU63	Solid Waste Resources Revenue Bonds 2018-A – Principal	2,789,583.33
50WU64	Solid Waste Resources Revenue Bonds 2018-A – Interest	1,625,166.67
	<b>Total:</b>	<b>\$10,066,385.40</b>

7. AUTHORIZE the City Administrative Officer to make technical changes and adjustments necessary to those transactions included in this report and to implement the intent of the Council and the Mayor.

## **SUMMARY**

The City Administrative Officer (CAO) requests authority to issue Solid Waste Resources Revenue Bonds (SWRRB), Series 2023-A (the "Bonds") in an aggregate principal amount not to exceed \$230 million. Proceeds of the Bonds will finance capital equipment and capital improvement projects related to the Bureau of Sanitation's (LASAN) solid waste operations, including refuse collection vehicles and equipment, automated containers, and improvements to six Solvents, Automotive, Flammables, and Electronics (S.A.F.E.) Centers. The principal and interest on the Bonds will be secured and payable solely from the revenues and from amounts in the Solid Waste Resources Revenue Fund (SWRRF). The General Fund of the City is not liable for the payment of the principal and interest of the Bonds, however the General Fund does provide operational support such as related costs incurred by the solid waste system.

This Office recommends the sale of the Bonds on a negotiated basis. This recommendation is based on the credit characteristics of the Bonds and the benefit of maintaining flexibility and control of the timing and manner of the sale of the Bonds in current market conditions, and upon the advice of our municipal advisor. This Office finds that the use of a competitive sale is undesirable and impractical, and it is in the best interest of the City to sell the Bonds on a negotiated basis.

To proceed with the sale of the Bonds, the Council will need to adopt an Authorizing Resolution (Attachment A) that approves a Fourteenth Supplemental Trust Agreement (Attachment B), an Amended and Restated Master Trust Agreement (Exhibit D to the Fourteenth Supplemental Trust Agreement), Contract of Purchase (Attachment C), a Continuing Disclosure Certificate (Appendix D to the Preliminary Official Statement), and a Preliminary Official Statement, (Attachment D).

The Mayor and the Council will need to approve an Ordinance establishing, among other things, a special fund for the administration of the bond proceeds. This report has been prepared by the City Attorney and has been submitted separately.

The sale of the Bonds is scheduled for July 2023 and closing is scheduled for July 26, 2023.

These recommendations are in compliance with the City's Financial Policies. This report contains the financing information of the proposed bond issuance as required by Section 5852.1 of the California Government Code. By placing this report on the Council Agenda, the City fulfills the requirement to disclose the financing information in a meeting open to the public.

## **FISCAL IMPACT STATEMENT**

There is no impact on the General Fund as a result of the recommendations contained in this report. The Solid Waste Resources Revenue Bonds, Series 2023-A (the "Bonds") are payable solely from revenues and from amounts in the Solid Waste Resources Revenue Fund (SWRRF). All costs

associated with this transaction shall be paid from bond proceeds, and in no event shall the General Fund be called upon for the repayment of any principal and interest on the Bonds. However, the General Fund has a history of supporting related costs for SWRRF operational expenditures.

The 2023-24 Proposed Budget includes a \$65 million General Fund subsidy to offset SWRRF related cost reimbursements. Incurring additional debt would obligate SWRRF to increase debt service payments, which may result in an increased General Fund subsidy for operational costs. Absent of a rate increase, financial assistance will be necessary to fund SWRRF operations.

## **FINANCIAL POLICIES STATEMENT**

The recommendations in this report comply with the City's Financial Policies in that debt service on the Bonds will be paid from the SWRRF.

## **DEBT IMPACT STATEMENT**

There is no debt impact on the City's General Fund from the approval of the recommendations in this report as debt service on all Solid Waste Resources Revenue Bonds, including the Bonds, are paid from the SWRRF. The bond issuance of \$173 million (par amount) is currently expected to result in the City paying a total of approximately \$247.8 million, including \$74.8 million in interest, over 15 years at a true interest cost of approximately three percent. Debt service payments will commence on February 1, 2024. The average annual debt service for the Bonds is \$14.8 million. The par amount and interest rate are based on market conditions as of April 26, 2023. Actual par amount and interest rate are subject to change based on market conditions at the time of bond sale.

## FINDINGS

### 1. Solid Waste Resources Revenue Bond (SWRRB) Program

In 2001, the City established the SWRRB Program to provide a financing mechanism for projects and equipment related to the City's solid waste operations. Bonds are issued under a Master Trust Agreement, dated as of September 1, 2001, as amended (Original Master Trust Agreement) and supplemented from time to time by the various supplemental trust agreements executed by and between the City and U.S. Bank National Association, as Trustee. These bonds are secured by a pledge of revenues consisting of the Solid Waste Collection, Transfer, Recycling, Recovery of Waste Resources and Disposal Fee (SWR Fee) and other amounts deposited to SWRRF. Annual debt service payments and other administrative fees associated with the SWRRB Program are budgeted within and paid from SWRRF. The table below summarizes SWRRF historical operating results.

Operating Cash	SWRRF Historical Operating Results				
	2018-19	2019-20	2020-21	2021-22	2022-23*
Beginning Cash Balance	\$ 161.75	\$ 158.30	\$ 122.30	\$ 68.03	\$ 89.91
Revenues	384.39	350.25	310.34	311.67	313.32
Expenditures	(387.84)	(386.25)	(389.61)	(362.79)	(397.01)
General Fund Subsidy	-	-	25.00	73.00	61.00
<b>Change in Operating Cash</b>	<b>(3.45)</b>	<b>(36.00)</b>	<b>(54.27)</b>	<b>21.88</b>	<b>(22.69)</b>
Ending Cash Balance	\$ 158.30	\$ 122.30	\$ 68.03	\$ 89.91	\$ 67.22

*Amounts are represented in millions.*

*\*Estimates as reported in the 2023-24 Proposed Budget*

The SWR Fee is applied to all single family and small multi-family dwelling units (up to four units) within the City and is billed and collected on a per-dwelling unit basis. The number of dwellings subject to the SWR Fee has historically been very stable. SWR Fees have been collected since 1983, with the last rate adjustment occurring in Fiscal Year 2008-09.

In 2021, the General Fund began subsidizing SWRRF's annual budget for related costs rendered on its behalf. A General Fund subsidy of \$61 million is estimated in 2022-23 and \$65 million is proposed in 2023-24.

In their most recent rating reports, Fitch and Kroll Bond Rating Agency (KBRA) expressed credit concerns over the delayed SWR Fee rate increase. In its November 2021 surveillance report, Fitch cited as a rating sensitivity the “[f]ailure of the City to raise the solid waste resources fee to the level needed to cover debt service and operational costs”, and, in its June 2022 report, KBRA cited the City’s “[i]nability to implement SWR fee increase by FY 2024.” KBRA also stated that, “Any further delay in implementing the rate adjustment is likely to place a downward pressure on the rating.”

## **2. Amendments to the Original Master Trust Agreement**

The City plans to amend and restate the Original Master Trust Agreement to make several material amendments, which will be contained in the Amended and Restated Master Trust Agreement (Amended and Restated MTA). The Preliminary Official Statement will include a marked copy of the Original Master Trust Agreement, which reflects the amendments and modifications that the City intends to make in the Amended and Restated MTA. A near complete form of the Amended and Restated MTA is included as Exhibit D to the Fourteenth Supplemental Trust Agreement (Attachment B). The Amended and Restated MTA effectuates several significant amendments, including:

### Flow of Funds

Historically, the City transferred funds to the Trustee twice a year to make debt service payments. Upon the issuance of the Bonds, the City will make monthly transfers to Debt Service Funds administered by the Trustee. This monthly transfer is necessary to ensure that debt service is paid prior to operational expenditures, in accordance with the gross pledge of revenues.

A \$10.1 million transfer from the SWRRF to the Trustee is necessary to sufficiently fund the Debt Service Funds for the transition from bi-annual to monthly transfers. In 2023-24, this Office anticipates that a total of \$3.6 million per month is necessary for the transfer upon the issuance of the Bonds; \$2 million for outstanding debt and \$1.6 million for the Bonds.

### Debt Service Reserve Fund

The Bonds will not be secured by a debt service reserve fund. The Amended and Restated MTA will allow for any SWRRB issued in the future to be secured by a common reserve with outstanding bonds that are covered by the common reserve (Series 2013-A, 2013-B and 2015-A), or without being covered by the common reserve fund.

### Additional Bonds Test

Prior to the issuance of new bonds under the Amended and Restated MTA, an Additional Bonds Test (ABT) is performed to ensure that sufficient SWRRF revenues exist to fund the anticipated debt service. The Amended and Restated MTA will modernize the ABT by granting the City greater flexibility; expanding the revenues that the City may include in the ABT to include revenues of the preceding fiscal year or revenues of any 12 consecutive months out of the past 18 months.

There are also other amendments within the Amended and Restated MTA that are intended to modernize and improve the outdated Original Master Trust Agreement.

The Amended and Restated MTA will become effective after the issuance of the Bonds (and after satisfying other procedural requirements) as bondholders owning 51 percent or more of the then outstanding bonds will have consented to the proposed amendments by their purchase of the Bonds.

### 3. Background and Use of the Bond Proceeds

On December 9, 2022 the Council adopted a Plan of Finance and Reimbursement Resolution report (Report) prepared by this Office which recommended that capital needs related to the City’s Solid Waste and Solid Resources Collection and Disposal Program and the Multi-Family Bulky Item Program (collectively, “Solid Waste Programs”) be financed through the issuance of SWRRBs (C.F. 22-1410). The Report recommended bond financing for 385 pieces of vehicles and equipment (324 replacement and 61 new). The Report also recommended the purchase of 500,000 household automated containers and capital improvements to six Solvents, Automotive, Flammables, and Electronics (S.A.F.E.) Centers throughout the City. S.A.F.E. Centers are permanent collection sites for residents to drop off their household hazardous waste, electronic waste, and used motor oil. A complete list of capital improvements is included as Attachment F.

Subsequent to Council’s adoption of the Report, the total cost of the equipment increased by \$1.4 million from \$157.2 million to \$158.6 million due to inflation and the increased cost of purchasing electric vehicles in compliance with the City’s Zero Emission First Policy (C.F. 21-0680); bringing the total project list to \$198.1 million. The new and replacement vehicles and equipment are necessary to ensure continuity of the collection, recycling, and disposal of solid resources throughout the City. This equipment supports landfill operations, programs expanded in 2022-23 including MyLA311 response, and compliance with organics recycling (SB 1383). The equipment list includes 50 vehicles for the Multi-Family Bulky Item (MFBI) program. New and replacement vehicles will be natural gas or electric powered as equipment becomes viable in compliance with proposed air quality regulations in order to meet the City’s Clean Air Vehicle Goal.

All new and replacement equipment have useful lives of over 10 years. Upon the adoption of the Report, LASAN ordered 114 vehicles, some of which will be delivered to the City in June 2023. Equipment and vehicle delivery dates for the remaining vehicles and equipment vary from nine months to two years. The equipment type, quantity, and price shown in Attachment F are subject to change as LASAN determines the best capital equipment and capital improvements for the intended services.

### 4. Section 5852.1 of the California Government Code

Section 5852.1 of the California Government Code requires that prior to the authorization of the issuance of bonds with a term greater than 13 months, the governing body of a public entity shall obtain and disclose specified information regarding the bonds in a meeting open to the public. The amounts below are good faith estimates as of April 26, 2023, and subject to change at the time of issuance. The following information is required under Section 5852.1:

True interest cost (“TIC”) of the bonds:	2.988 percent
Finance charge of the bonds (Sum of all fees and charges paid to third parties, including “Costs of Issuance”):	\$863,357.85
Amount of proceeds received from the sale of the bonds:	\$198,967,357.85
Total payment amount (“Total Debt Service”):	\$247,757,416.67

## **5. Findings Related to Negotiated Sale of the Bonds Pursuant to Charter Sections 371(e)(2) and 371(e)(10)**

This Office finds and recommends that due to the credit characteristics of the Bonds and the benefits of maintaining flexibility and control of the timing and manner of the sale of the Bonds in current market conditions, and upon the advice of its municipal advisors, the use of competitive bidding required under Section 371 of the Charter to sell the Bonds would be undesirable and impractical and that it is in the best financial interest of the City to propose to sell the Bonds through a negotiated sale.

## **6. Financing Team**

The firm providing municipal advisory services for this financing is Public Resources Advisory Group, Inc. (Local Business Enterprise) was previously approved by the Mayor and Council (C.F. 17-1388). Jones Hall serves as Bond and Tax Counsel and Stradling Yocca Carlson & Rauth serves as Disclosure Counsel. These law firms are on the City's qualified list for legal services for the City's various bond programs, previously approved by the Mayor and City Council (C.F. 22-0248). As part of the process for selecting the underwriting team, the CAO disseminated a mini Request for Proposals ("RFP") on October 21, 2022 to several underwriters from the City's approved qualified list (C.F. 22-0195). The CAO reviewed proposals submitted by nine firms and recommends using the following underwriting team for the transaction; J.P. Morgan as Senior Manager, Ramirez & Co., Inc. as Co-Senior Manager, Cabrera Capital Markets, LLC, and Jefferies LLC as Co-Managers. As a team, the underwriters selected have the underwriting capacity and extensive institutional and retail investor networks to support and sell the Bonds. In addition, Ramirez & Co., Inc. and Cabrera Capital Markets, LLC are Minority Business Enterprises.

## **7. Required Documents**

To proceed with the recommended transactions for the Bonds, the Council will need to adopt the Authorizing Resolution (Attachment A), which provides for the approval of the following:

- The Fourteenth Supplemental Trust Agreement (Attachment B); which sets forth the specific provisions applicable to the Bonds and proposes material amendments to the Original Master Trust Agreement in the form of the Amended and Restated Trust Master Trust Agreement attached thereto as Exhibit D;
- The Amended and Restated Master Trust Agreement (Exhibit D to the Fourteenth Supplemental Trust Agreement); which is an agreement between the City and the Trustee for the benefit of the bondholders that establishes the security and terms of the bonds issued thereunder, the rights, duties, responsibilities, and remedies of the City and trustee;
- Contract of Purchase, which is the agreement between the City and the underwriters for the sale and purchase of the Bonds (Attachment C);
- Continuing Disclosure Certificate; the form of which is included in the Preliminary Official Statement as Appendix D; and



- The Preliminary Official Statement (Attachment D); which is the primary disclosure and marketing document for the Bond. It describes the proposed bond issuance, the Solid Waste Program, and security for the Bonds.

An accompanying City Attorney report and proposed ordinance, submitted under a separate cover, will need to be approved by the Mayor and Council to amend the Los Angeles Administrative Code to establish the necessary special fund for the administration of the bond proceeds and to make clarifying changes with respect to the administration of the Solid Waste Resources Special Revenue Fund and Multi-Family Bulky Item Fee Special Revenue Fund.

*MWS:HTT:MFC:09230149*

#### ATTACHMENTS

Attachment A – Authorizing Resolution

Attachment B - Fourteenth Supplemental Trust Agreement

Exhibit A – Form of the Series 2023-A Bond

Exhibit B – Debt Service Schedule

Exhibit C – Form of Requisition for Series 2023-A Costs of Issuance Fund

Exhibit D – Form of the Amended and Restated Master Trust Agreement

Attachment C – Contract of Purchase

Attachment D – Preliminary Official Statement including the Continuing Disclosure Certificate in Appendix D thereto

Attachment E – Equipment and Capital Project List

**RESOLUTION OF THE COUNCIL OF THE CITY OF LOS ANGELES AUTHORIZING THE ISSUANCE OF SOLID WASTE RESOURCES REVENUE BONDS, SERIES 2023-A, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$230,000,000, AUTHORIZING THE EXECUTION AND DELIVERY OF A FOURTEENTH SUPPLEMENTAL TRUST AGREEMENT PURSUANT TO WHICH SAID BONDS ARE TO BE ISSUED, AN AMENDED AND RESTATED MASTER TRUST AGREEMENT AMENDING AND RESTATING THE ORIGINAL MASTER TRUST AGREEMENT, A CONTINUING DISCLOSURE CERTIFICATE, AND A CONTRACT OF PURCHASE, AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT IN CONNECTION THEREWITH; AND APPROVING CERTAIN MATTERS RELATED THERETO**

**WHEREAS**, the City of Los Angeles (the “City”) is a municipal corporation and chartered city, duly organized and existing under the Constitution of the State of California (the “State”) and the Charter of the City (the “Charter”);

**WHEREAS**, pursuant to City Ordinance No. 166308, codified as Section 5.121.5 of the Administrative Code of the City (as amended from time to time, including as amended by City Ordinance No. 177927, the “Administrative Code”), the City established a special fund known as the “Solid Waste Resources Special Revenue Fund” into which there is deposited all revenues received from the imposition of the Solid Waste Collection, Transfer, Recycling, Recovery of Waste Resources and Disposal Fee established in Section 66.41(a) of Article 6.1 of Chapter VI of the Municipal Code of the City (as amended from time to time, the “Municipal Code”);

**WHEREAS**, pursuant to City Ordinance No. 179070, codified as Section 5.121.5(m) of the Administrative Code of the City (as amended from time to time), the City established a special fund known as the “Multi-Family Bulky Item Fee Special Revenue Fund” into which there is deposited all revenues received from the imposition of the Multi-Family Bulky Item Fee established in Section 66.41(c) of Article 6.1 of Chapter VI of the Municipal Code, as amended from time to time;

**WHEREAS**, the moneys in the Solid Waste Resources Special Revenue Fund and the Multi-Family Bulky Item Fee Special Revenue Fund are devoted exclusively to the purposes enumerated in Section 5.121.5 of the Administrative Code, including the purposes set out in Section 66.41 of the Municipal Code, except as otherwise provided therein;

**WHEREAS**, under Section 361 of the Charter, the City has the power to issue revenue bonds pursuant to procedural ordinances adopted by the Council of the City (the “Council”), and on July 24, 2001, the Council adopted Ordinance No. 174129, codified at Sections 11.27.50 through 11.27.58 of Division 11, Chapter 1, Article 6.4 of the Administrative Code, which permits the City to issue revenue bonds payable from and secured by the moneys in the Solid Waste Resources Special Revenue Fund and the earnings thereon (the “Revenues”) to acquire equipment, including vehicles and other items, and the installation thereof, if any, and facilities, including the construction and renovation of real property and other capital improvements, payable from the moneys in the Solid Waste Resources Special Revenue Fund, as determined by the City;

**WHEREAS**, the City previously executed and delivered a Master Trust Agreement, dated as of September 1, 2001, by and between the City and State Street Bank and Trust Company of California, N.A., as trustee, which, in accordance with its terms, has been amended from time to time prior to the date hereof (as so amended, the “Original Master Trust Agreement”) (capitalized undefined terms used herein have the meanings ascribed thereto in the Original Master Trust Agreement);

**WHEREAS**, the Original Master Trust Agreement provides that, subject to the conditions specified therein, Bonds may be issued, from time to time, under the Original Master Trust Agreement;

**WHEREAS**, the Original Master Trust Agreement further provides that the City may, from time to time and at any time, without the consent of or notice to the Bondholders, execute and deliver Supplemental Trust Agreements supplementing and/or amending the Original Master Trust Agreement or any Supplemental Trust Agreement to provide for the issuance of a Series or multiple Series of Bonds under the provisions of the Original Master Trust Agreement and to set forth the terms of such Bonds and the special provisions which shall apply to such Bonds;

**WHEREAS**, the Original Master Trust Agreement has been supplemented by thirteen supplemental trust agreements as of the date hereof for the purpose, among others, of issuing twelve Series of Bonds;

**WHEREAS**, of the twelve Series of Bonds previously issued by the City, four Series of Bonds are outstanding in the aggregate principal amount of \$128,455,000 (collectively, the “Existing Bonds”);

**WHEREAS**, the City now desires to issue an additional Series of Bonds secured by the Revenues and certain funds and accounts as provided in the hereinafter defined Fourteenth Supplement, designated the City of Los Angeles Solid Waste Resources Revenue Bonds, Series 2023-A (the “Series 2023-A Bonds”), in one or more series or subseries, on a tax-exempt or taxable basis for federal income tax purposes, and in an aggregate principal amount not to exceed \$230,000,000, for the purposes of (a) financing the acquisition of certain equipment, including vehicles and other items, and the installation thereof, if any, and facilities, including the construction and renovation of real property and other capital improvements for the refuse collection and disposal system of the City (collectively, the “Series 2023-A Projects”), which include vehicles for the collection of bulky items from multi-family dwellings (the “Series 2023-A MFBI Projects”), (b) making required deposits to the reserve account for the Series 2023-A Bonds, if any, and (c) paying the costs of issuance of the Series 2023-A Bonds;

**WHEREAS**, the City has determined that the financing of the Series 2023-A MFBI Projects as part of the Series 2023-A Projects with a portion of the proceeds of the Series 2023-A Bonds will result in a lower overall cost than would be achieved by financing the Series 2023-A MFBI Projects on a stand-alone basis;

**WHEREAS**, a portion of the proceeds of certain of the Existing Bonds were used to finance the acquisition of certain equipment and other capital improvements that are utilized by the City in connection with the collection of bulky items from multi-family dwellings (collectively, the “Existing MFBI Projects,” and together with the Series 2023-A MFBI Projects, the “MFBI Projects”);

**WHEREAS**, because the MFBI Projects are capital projects payable from moneys received by the City from the imposition of the Multi-Family Bulky Item Fee and any other moneys deposited in the Multi-Family Bulky Item Fee Special Revenue Fund for the purpose of financing such projects, the Council acknowledges that (i) consistent with current practice, the City will undertake to budget for each fiscal year for approval by the Council an amount for transfers from the Multi-Family Bulky Item Fee Special Revenue Fund to the Solid Waste Resources Special Revenue Fund in the amounts and at the times necessary to pay the debt service, reserve fund deposits, if any, and costs of issuance of the Series 2023-A Bonds and the Existing Bonds allocable to the MFBI Projects, (ii) the City will approve and authorize appropriations to meet such obligations and (iii) after such approval and authorization, such amounts shall be transferred to the Solid Waste Resources Special Revenue Fund for such purpose at the times necessary to fund such obligation;

**WHEREAS**, the Series 2023-A Bonds will be issued pursuant to a Fourteenth Supplemental Trust Agreement, by and between the City and U.S. Bank Trust Company, National Association, as successor trustee (the "Trustee") (such Fourteenth Supplemental Trust Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Fourteenth Supplement");

**WHEREAS**, Section 9.03(a) of the Original Master Trust Agreement provides that, subject to the other terms and conditions set forth therein, the City may, from time to time and at any time, with the consent and approval of the holders of not less than 51% in aggregate principal amount of the Bonds then Outstanding, execute and deliver Supplemental Trust Agreements 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 the Original Master Trust Agreement or in a Supplemental Trust Agreement;

**WHEREAS**, the City desires, and the Trustee has agreed, to amend and restate the Original Master Trust Agreement for the purpose of modifying, altering, amending, supplementing and/or rescinding certain terms and provisions contained in the Original Master Trust Agreement as permitted under Section 9.03(a) thereof pursuant to an Amended and Restated Master Trust Agreement, by and between the City and the Trustee (such Amended and Restated Master Trust Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Amended and Restated Master Trust Agreement");

**WHEREAS**, the Fourteenth Supplement provides that the Amended and Restated Master Trust Agreement will be executed by the City and the Trustee concurrently with the Fourteenth Supplement pursuant to Section 9.03(a) of the Original Master Trust Agreement and that, by its purchase of the Series 2023-A Bonds, each initial Beneficial Owner (as defined in the Fourteenth Supplement) of the Series 2023-A Bonds, as the holder thereof for purposes of Sections 9.03(a), 9.03(d) and 9.03(e) of the Original Master Trust Agreement, shall be deemed to have consented in writing to the Amended and Restated Master Trust Agreement;

**WHEREAS**, the consent of the initial Beneficial Owners of the Series 2023-A Bonds, as the holders thereof for purposes of Sections 9.03(a), 9.03(d) and 9.03(e) of the Original Master Trust Agreement, is anticipated to constitute the consent of the holders of not less than 51% in aggregate principal amount of the Outstanding Bonds on the date the Series 2023-A Bonds are issued by the City;

**WHEREAS**, the City Administrative Officer finds and recommends that, pursuant to Sections 371(e)(2) and 371(e)(10) of the Charter, due to the credit characteristics of the Series 2023-A Bonds and the benefits of maintaining flexibility and control of the timing and manner of sale of the Series 2023-A Bonds in current market conditions, and upon the advice of Public Resources Advisory Group, Inc., the City's municipal advisor (the "Municipal Advisor"), the use of competitive bidding required under Section 371 of the Charter to sell the Series 2023-A Bonds would be undesirable and impractical and that it is in the best financial interest of the City to propose to sell the Series 2023-A Bonds through a negotiated underwriting process, provided that, if circumstances should change, nothing herein shall preclude the City from selling the Series 2023-A Bonds on a competitive basis;

**WHEREAS**, J.P. Morgan Securities LLC, Samuel A. Ramirez & Co., Inc., Cabrera Capital Markets, LLC and Jefferies LLC (collectively, the "Underwriters") have proposed to purchase and underwrite the Series 2023-A Bonds and have presented to the City a form of Contract of Purchase for the Series 2023-A Bonds, to be entered into by the City and J.P. Morgan Securities LLC, as representative of the Underwriters (such Contract of Purchase, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Contract of Purchase");

**WHEREAS**, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12") requires that, in order to be able to purchase or sell the Series 2023-A Bonds, the Underwriters must have reasonably determined that the City has, or one or more appropriate obligated persons have, undertaken in a written agreement or contract for the benefit of the holders of the Series 2023-A Bonds to provide disclosure of certain financial information and certain events on an ongoing basis;

**WHEREAS**, in order to cause such requirement to be satisfied, the City desires to execute and deliver a Continuing Disclosure Certificate (such Continuing Disclosure Certificate, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Continuing Disclosure Certificate");

**WHEREAS**, a form of the Preliminary Official Statement to be distributed in connection with the public offering of the Series 2023-A Bonds has been prepared (such Preliminary Official Statement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Preliminary Official Statement");

**WHEREAS**, there have been prepared and submitted to the Council forms of:

- a. the Fourteenth Supplement;
- b. the Amended and Restated Master Trust Agreement;
- c. the Contract of Purchase;
- d. the Continuing Disclosure Certificate; and
- e. the Preliminary Official Statement.

**WHEREAS**, Section 5852.1 of the California Government Code requires that the Council obtain from an underwriter, municipal advisor or private lender and disclose, in a

meeting open to the public, prior to authorization of the issuance of the Series 2023-A Bonds, good faith estimates of (a) the true interest cost of the Series 2023-A Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Series 2023-A Bonds, (c) the amount of proceeds of the Series 2023-A Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Series 2023-A Bonds, and (d) the sum total of all debt service payments on the Series 2023-A Bonds calculated to the final maturity of the Series 2023-A Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Series 2023-A Bonds;

**WHEREAS**, in compliance with Section 5852.1 of the California Government Code, the Council has obtained from the Municipal Advisor, after consultation with the Underwriters, the required good faith estimates and such estimates are disclosed and set forth in Exhibit A attached hereto;

**WHEREAS**, the City expects to expend moneys (other than moneys derived from the issuance of the Series 2023-A Bonds) on expenditures relating to the costs of the Series 2023-A Projects prior to the issuance of the Series 2023-A Bonds, which expenditures would be properly chargeable to a capital account under general federal income tax principles;

**WHEREAS**, the City reasonably expects to reimburse certain of such capital expenditures with the proceeds of the Series 2023-A Bonds;

**WHEREAS**, the City expects that the maximum principal amount of the Series 2023-A Bonds will not exceed \$230,000,000;

**WHEREAS**, the City expects to make the reimbursement allocation no later than eighteen (18) months after the later of (i) the date on which the original expenditure is paid or (ii) the date on which the Series 2023-A Projects are placed in service (or abandoned), but in no event later than three (3) years after the date on which the original expenditure for the Series 2023-A Projects is paid;

**WHEREAS**, the City will not, within one (1) year of the reimbursement allocation, use the proceeds of the Series 2023-A Bonds received in the reimbursement allocation in a manner that will result in the creation of replacement proceeds (as defined in Section 1.148-1 of the Treasury Regulations) of the Series 2023-A Bonds or another issue; and

**WHEREAS**, this Resolution is intended to be a “declaration of official intent” in accordance with Section 1.150-2 of the Treasury Regulations;

**NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE COUNCIL OF THE CITY OF LOS ANGELES AS FOLLOWS:**

**Section 1.** The foregoing recitals are all true and correct.

**Section 2.** In accordance with Section 1.150-2 of the Treasury Regulations, the City declares its intention to issue the Series 2023-A Bonds in an aggregate principal amount not to exceed \$230,000,000. The expenditures to be reimbursed pursuant to this Resolution have been incurred within 60 days prior to the date of adoption of this Resolution or will be incurred after the date of adoption of this Resolution. This declaration of intent does not bind the City to make any expenditure, incur any indebtedness, or proceed with the Series 2023-A Projects.

**Section 3.** Subject to the provisions of Section 4 hereof, the Council hereby deems it necessary to incur bonded indebtedness and, accordingly, hereby authorizes and approves the issuance of the Series 2023-A Bonds, in one or more series or subseries, on a tax-exempt or taxable basis for federal income tax purposes, and in an aggregate principal amount not to exceed \$230,000,000, on the terms and conditions set forth in, and subject to the limitations specified in, the Fourteenth Supplement. The Series 2023-A Bonds shall be dated, shall bear interest at the rates, shall mature on the dates, shall be subject to call and redemption, shall be issued in the form, shall bear series or subseries designations, shall be signed by the Mayor, the City Administrative Officer or an Assistant City Administrative Officer and countersigned by the City Clerk or a Deputy City Clerk, and shall be as otherwise provided in the Fourteenth Supplement, as the same shall be completed as provided in this Resolution.

**Section 4.** The form of the Fourteenth Supplement, copies of which are before the Council and on file in the Office of the City Administrative Officer, is hereby approved, and each of the City Administrative Officer, any Assistant City Administrative Officer or any of their designees (each, an "Authorized Representative") is hereby authorized, and any one of the Authorized Representatives is hereby directed, for and in the name and on behalf of the City, to execute and deliver the Fourteenth Supplement in substantially said form, with such changes, insertions and omissions as the Authorized Representative executing the same may require or approve, and as are approved as to form by the City Attorney, such requirement or approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that such changes, insertions and omissions shall not authorize an aggregate principal amount of Series 2023-A Bonds in excess of \$230,000,000, shall not result in a final maturity date of the Series 2023-A Bonds later than February 1, 2038 and shall not result in a true interest cost for the Series 2023-A Bonds in excess of 5.00%.

**Section 5.** The form of the Amended and Restated Master Trust Agreement, copies of which are before the Council and on file in the Office of the City Administrative Officer, is hereby approved. Each of the Authorized Representatives is hereby authorized, and any one of the Authorized Representatives is hereby directed, for and in the name and on behalf of the City, to execute and deliver the Amended and Restated Master Trust Agreement in substantially said form, with such changes, insertions and omissions as the Authorized Representative executing the same may require or approve (including, without limitation, changes to remove the requirement that the City maintain a debt service reserve fund for the Bonds outstanding as of the date hereof), and as are approved as to form by the City Attorney, such requirement or approval to be conclusively evidenced by the execution and delivery thereof.

**Section 6.** The form of the Contract of Purchase, copies of which are before the Council and on file in the Office of the City Administrative Officer, with such changes, insertions and omissions therein as may be approved by an Authorized Representative, is hereby approved. Each of the Authorized Representatives is hereby authorized, and any one of the Authorized Representatives is hereby directed, for and in the name and on behalf of the City, to execute and deliver the Contract of Purchase in substantially said form, with such changes, insertions and omissions as the Authorized Representative executing the same may require or approve, and as are approved as to form by the City Attorney, such requirement or approval to be conclusively evidenced by the execution and delivery thereof; subject to the requirement that the Underwriters' discount on the purchase of the Series 2023-A Bonds may not exceed 0.50% of the par amount of the Series 2023-A Bonds and the true interest cost may not exceed the rate specified in Section 4 hereof. The Council hereby approves the negotiated sale of the Series 2023-A Bonds to the Underwriters pursuant to such Contract of Purchase; the negotiated sale may be on a forward basis, as determined by an Authorized Representative.

**Section 7.** The form of the Continuing Disclosure Certificate, copies of which are before the Council and on file in the Office of the City Administrative Officer, with such changes, insertions and omissions therein as may be approved by an Authorized Representative, is hereby approved. Each of the Authorized Representatives is hereby authorized, and any one of the Authorized Representatives is hereby directed, for and in the name of the City, to execute and deliver the Continuing Disclosure Certificate in substantially said form, with such changes, insertions and omissions as the Authorized Representative executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof.

**Section 8.** The form of the Preliminary Official Statement, copies of which are before the Council and on file in the Office of the City Administrative Officer, with such changes, insertions and omissions therein as may be approved by an Authorized Representative, is hereby approved, and the use by the Underwriters of the Preliminary Official Statement in connection with the offering and sale of the Series 2023-A Bonds is hereby authorized and approved. The Authorized Representatives are each hereby authorized to certify on behalf of the City that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by said Rule).

**Section 9.** The preparation and delivery of a final Official Statement (the "Official Statement"), and its use by the Underwriters in connection with the offering and sale of the Series 2023-A Bonds, is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement, with such changes, insertions and omissions as may be approved by an Authorized Representative, such approval to be conclusively evidenced by the execution and delivery thereof. Each of the Authorized Representatives is hereby authorized, and any one of the Authorized Representatives is hereby directed, for and in the name of the City, to execute the final Official Statement and any amendment or supplement thereto.

**Section 10.** Pursuant to Sections 371(e)(2) and 371(e)(10) of the Charter, the Council hereby adopts the findings and recommendations of the City Administrative Officer that, due to the credit characteristics of the Series 2023-A Bonds and the benefits of maintaining flexibility and control of the timing and manner of sale of the Series 2023-A Bonds in current market conditions, and upon the advice of the Municipal Advisor, the use of competitive bidding required under Section 371 of the Charter to sell the Series 2023-A Bonds is undesirable and impractical and it is in the best financial interest of the City to propose to sell the Series 2023-A Bonds through a negotiated underwriting process with the Underwriters. The Council hereby further approves the City Administrative Officer's recommendation of the Underwriters. The City Administrative Officer or their designee may approve additional underwriters to participate in the underwriting syndicate as the City Administrative Officer or their designee shall approve as being in the best interests of the City, such approval to be conclusively evidenced by the execution and delivery of the Contract of Purchase.

**Section 11.** Each Authorized Representative, acting alone, is hereby authorized and directed for and on behalf of the City to take such actions as are necessary or advisable to obtain a municipal bond insurance policy and debt service reserve policy for the Series 2023-A Bonds if it is determined, upon consultation with the Underwriters and the Municipal Advisor that such municipal bond insurance policy and/or debt service reserve policy will reduce the true interest costs with respect to the Series 2023-A Bonds or otherwise facilitate the issuance of the Series 2023-A Bonds.



**Section 12.** Each Authorized Representative, acting alone, is hereby authorized and directed for and on behalf of the City to execute and deliver any and all documents necessary or appropriate, and to take any and all actions necessary or desirable, to carry out the transactions contemplated by this Resolution and the issuance of the Series 2023-A Bonds, all upon such terms as shall be satisfactory to such Authorized Representative.

**Section 13.** The Council hereby directs the City, consistent with current practice, to undertake to budget for each fiscal year for approval by the Council an amount for transfers from the Multi-Family Bulky Item Fee Special Revenue Fund to the Solid Waste Resources Special Revenue Fund in the amounts and at the times necessary to pay debt service, reserve fund deposits, if any, and other costs of issuance of the Series 2023-A Bonds and the Existing Bonds allocable to the MFBI Projects. The Council acknowledges that the City has not pledged, is not pledging, and will not pledge, moneys on deposit in the Multi-Family Bulky Item Fee Special Revenue Fund as security for its obligations under the Series 2023-A Bonds or the Existing Bonds. The Council acknowledges that the City will be required to appropriate funds sufficient to fund its obligations under this Section 13 and, after such approval and authorization, such amounts shall be transferred to the Solid Waste Resources Special Revenue Fund for such purpose at the times necessary to fund such obligations. Notwithstanding the foregoing, the Series 2023-A Projects (including the Series 2023-A MFBI Projects) and the Existing MFBI Projects, are and will be payable from the moneys in the Solid Waste Resources Special Revenue Fund, without limitation.

**Section 14.** This Resolution shall take effect immediately upon its approval.

## EXHIBIT A

### GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Series 2023-A Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the City by Public Resources Advisory Group, Inc., as the City's Municipal Advisor (the "Municipal Advisor"), after consultation with J.P. Morgan Securities LLC, an underwriter of the Series 2023-A Bonds.

*Principal Amount.* The Municipal Advisor has informed the City that, based on the City's financing plan and current market conditions, their good faith estimate of the aggregate principal amount of the Series 2023-A Bonds to be sold is \$173,000,000.00 (the "Estimated Principal Amount"), which excludes approximately \$25,967,357.85 of net premium estimated to be generated from current market pricing. Net premium is generated when, on a net aggregate basis for a single issuance, the prices paid for the bonds are higher than the face values of such bonds. The sum of the Estimated Principal Amount and the estimated net premium is \$198,967,357.85, which is equal to the estimated net proceeds of the Series 2023-A Bonds.

*True Interest Cost of the Series 2023-A Bonds.* The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Series 2023-A Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the true interest cost of the Series 2023-A Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Series 2023-A Bonds, is 2.988079%.

*Finance Charge of the Series 2023-A Bonds.* The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Series 2023-A Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the finance charge for the Series 2023-A Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Series 2023-A Bonds), is \$863,357.85.

*Amount of Proceeds to be Received.* The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Series 2023-A Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the amount of proceeds expected to be received by the City from the sale of the Series 2023-A Bonds, less the finance charge of the Series 2023-A Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Series 2023-A Bonds, is \$198,967,357.85.

*Total Payment Amount.* The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Series 2023-A Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay debt service on the Series 2023-A Bonds, plus the finance charge for the Series 2023-A Bonds, as described above, not paid with the proceeds of the Series 2023-A Bonds, calculated to the final maturity of the Series 2023-A Bonds, is \$247,757,416.67, which excludes any reserves or capitalized interest paid or funded with proceeds of the Series 2023-A Bonds (which may offset such total payment amount).

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates. The actual principal amount of the Series 2023-A Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Series 2023-A Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Series 2023-A Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the Series 2023-A Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Series 2023-A Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the City's financing plan, including delays in the financing, or a combination of such factors. The actual date of sale of the Series 2023-A Bonds and the actual principal amount of Series 2023-A Bonds sold will be determined by the City based on the timing of the need for proceeds of the Series 2023-A Bonds and other factors. The actual interest rates borne by the Series 2023-A Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Series 2023-A Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the City.

**FOURTEENTH SUPPLEMENTAL TRUST AGREEMENT**

**by and between**

**CITY OF LOS ANGELES**

**and**

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,  
AS TRUSTEE**

**Dated as of June 1, 2023**

**Relating to**

**[\$[PAR]  
City of Los Angeles  
Solid Waste Resources Revenue Bonds, Series 2023-A**

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## FOURTEENTH SUPPLEMENTAL TRUST AGREEMENT

**THIS FOURTEENTH SUPPLEMENTAL TRUST AGREEMENT**, dated as of June 1, 2023 (this “Fourteenth Supplemental Trust Agreement”), is by and between the CITY OF LOS ANGELES (the “City”), a municipal corporation and chartered city, duly organized and existing under the Constitution of the State of California and the Charter of the City (the “Charter”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States, as trustee (the “Trustee”), and supplements the Master Trust Agreement, dated as of September 1, 2001, by and between the City and State Street Bank and Trust Company of California, N.A., as trustee, as amended prior to the date hereof (as so amended, the “Original Master Trust Agreement”).

### RECITALS

**WHEREAS**, Section 2.08 of the Original Master Trust Agreement provides that, subject to the conditions specified therein, Bonds, including Refunding Bonds, may be issued, from time to time under the Original Master Trust Agreement subject to the satisfaction of the conditions set forth therein prior to or simultaneously with the original delivery of each Series of Bonds;

**WHEREAS**, Section 9.02 of the Original Master Trust Agreement provides that the City may, from time to time and at any time, without consent of or notice to the Bondholders, execute and deliver Supplemental Trust Agreements supplementing and/or amending the Original Master Trust Agreement or any Supplemental Trust Agreement to provide for the issuance of a Series or multiple Series of Bonds under the provisions of Section 2.08 of the Original Master Trust Agreement and to set forth the terms of such Bonds and the special provisions which shall apply to such Bonds;

**WHEREAS**, the City previously issued twelve Series of Bonds pursuant to Supplemental Trust Agreements supplementing the Original Master Trust Agreement;

**WHEREAS**, immediately prior to the issuance of the hereinafter defined Series 2023-A Bonds, of such twelve Series of Bonds, the following Series of Bonds are Outstanding under the Original Master Trust Agreement, as supplemented from time to time, as of the date hereof (collectively, the “Existing Bonds”): (i) City of Los Angeles, California Solid Waste Resources Revenue Bonds, Series 2013-A, outstanding in the aggregate principal amount of \$33,860,000 as of the date hereof; (ii) City of Los Angeles, California Solid Waste Resources Refunding Revenue Bonds, Series 2013-B, outstanding in the aggregate principal amount of \$5,685,000 as of the date hereof; (iii) City of Los Angeles, California Solid Waste Resources Refunding Revenue Bonds, Series 2015-A, outstanding in the aggregate principal amount of \$4,810,000 as of the date hereof; and (iv) City of Los Angeles Solid Waste Resources Revenue Bonds, Series 2018-A, outstanding in the aggregate principal amount of \$84,100,000 as of the date hereof;

**WHEREAS**, the Existing Bonds are payable from and secured by the Revenues and other assets pledged to the payment thereof;

**WHEREAS**, pursuant to City Ordinance No. 179070, codified as Section 5.121.5(m) of the Administrative Code of the City (as amended from time to time), the City established a special fund known as the “Multi-Family Bulky Item Fee Special Revenue Fund” into which there is deposited all revenues received from the imposition of the Multi-Family Bulky Item Fee

established in Section 66.41(c). of Article 6.1 of Chapter VI of the Municipal Code, as amended from time to time;

**WHEREAS**, the City desires to issue a Series of Bonds designated the City of Los Angeles Solid Waste Resources Revenue Bonds, Series 2023-A (the “Series 2023-A Bonds”) in an aggregate principal amount of \$[PAR], payable from and secured by the Revenues and certain funds and accounts as provided herein, to, among other things, finance the acquisition of certain equipment, including vehicles and other items, and the installation thereof, if any, and facilities, including the construction and renovation of real property and other capital improvements for the refuse collection and disposal system of the City (collectively, the “Series 2023-A Projects”), which include vehicles for the collection of bulky items from multi-family dwellings (the “Series 2023-A MFBI Projects”);

**WHEREAS**, the City has determined that the financing of the Series 2023-A MFBI Projects as part of the Series 2023-A Projects with a portion of the proceeds of the Series 2023-A Bonds will result in a lower overall cost than would be achieved by financing the Series 2023-A MFBI Projects on a stand-alone basis;

**WHEREAS**, a portion of the proceeds of certain of the Existing Bonds were used to finance the acquisition of certain equipment and other capital improvements that are utilized by the City in connection with the collection of bulky items from multi-family dwellings (collectively, the “Existing MFBI Projects,” and together with the Series 2023-A MFBI Projects, the “MFBI Projects”);

**WHEREAS**, because the MFBI Projects are capital projects payable from moneys received by the City from the imposition of the Multi-Family Bulky Item Fee and any other moneys deposited in the Multi-Family Bulky Item Fee Special Revenue Fund for the purpose of financing such projects, the City Council of the City (the “Council”) has acknowledged that (i) consistent with current practice, the City will undertake to budget for each fiscal year for approval by the Council an amount for transfers from the Multi-Family Bulky Item Fee Special Revenue Fund to the Solid Waste Resources Revenue Fund in the amounts and at the times necessary to pay the debt service, reserve fund deposits, if any, and costs of issuance of the Series 2023-A Bonds and the Existing Bonds allocable to the MFBI Projects, (ii) the City will approve and authorize appropriations to meet such obligations and (iii) after such approval and authorization, such amounts shall be transferred to the Solid Waste Resources Revenue Fund for such purpose at the times necessary to fund such obligations;

**WHEREAS**, the City has determined that the Series 2023-A Projects (including the Series 2023-A MFBI Projects) and the Existing MFBI Projects are and will be payable from the moneys in the Solid Waste Resources Revenue Fund;

**WHEREAS**, moneys on deposit in the Multi-Family Bulky Item Fee Special Revenue Fund are not pledged as security for the City’s obligations under the Series 2023-A Bonds or any of the Existing Bonds;

**WHEREAS**, pursuant to Section 9.02(a) of the Original Master Trust Agreement, in order to provide for the authentication and delivery of the Series 2023-A Bonds, to establish and declare the terms and conditions upon which the Series 2023-A Bonds are to be issued and secured and to secure the payment of the principal thereof, premium, if any, and interest thereon, the City has authorized the execution and delivery of this Fourteenth Supplemental Trust Agreement;



**WHEREAS**, Section 9.03(a) of the Original Master Trust Agreement provides that, subject to the other terms and conditions set forth therein, the City may, from time to time and at any time, with the consent and approval of the holders of not less than 51% in aggregate principal amount of the Bonds then Outstanding, execute and deliver Supplemental Trust Agreements 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 the Original Master Trust Agreement or in a Supplemental Trust Agreement;

**WHEREAS**, the City desires, and the Trustee has agreed, to amend and restate the Original Master Trust Agreement for the purpose of modifying, altering, amending, supplementing and/or rescinding certain terms and provisions contained in the Original Master Trust Agreement as permitted under Section 9.03(a) thereof pursuant to an Amended and Restated Master Trust Agreement, dated as of June 1, 2023, by and between the City and the Trustee (hereinafter more fully defined as the Amended and Restated Master Trust Agreement);

**WHEREAS**, as further provided in this Fourteenth Supplemental Trust Agreement, the Amended and Restated Master Trust Agreement is being executed concurrently herewith pursuant to Section 9.03(a) of the Original Master Trust Agreement and, by their purchase of the Series 2023-A Bonds, each initial Beneficial Owner of the Series 2023-A Bonds shall be deemed to have consented in writing to the Amended and Restated Master Trust Agreement and such consent represents the consent and approval of the holders of not less than 51% in aggregate principal amount of the Bonds then Outstanding;

**WHEREAS**, the City and the Trustee will execute and deliver the Amended and Restated Master Trust Agreement simultaneously with the execution and delivery of this Fourteenth Supplemental Trust Agreement, and the Amended and Restated Master Trust Agreement by its terms will become effective the moment immediately after this Fourteenth Supplemental Trust Agreement becomes effective on the Series 2023-A Closing Date; and

**WHEREAS**, the City has determined that all acts and proceedings required by law necessary to make the Series 2023-A Bonds, when executed by the City, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal special obligations of the City, and to constitute this Fourteenth Supplemental Trust Agreement a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken; and

**WHEREAS**, the City has further determined that the execution and delivery of this Fourteenth Supplemental Trust Agreement has been in all respects duly authorized;

**NOW THEREFORE**, the City and the Trustee do hereby agree that the Original Master Trust Agreement is hereby amended and supplemented as provided herein:

## **ARTICLE I**

### **DEFINITIONS**

**Section 1.1. Definitions.** Unless the context otherwise requires, the terms defined in this Section shall for all purposes of the Original Master Trust Agreement and of any certificate, opinion or other document herein or therein mentioned, have the meanings herein specified. Capitalized terms which are defined in the Original Master Trust Agreement and which are not

otherwise defined herein shall have the respective meanings given those terms in the Original Master Trust Agreement.

**“Amended and Restated Master Trust Agreement”** means the Amended and Restated Master Trust Agreement, dated as of June 1, 2023, by and between the City and the Trustee, as amended, supplemented, amended and restated or otherwise modified from time to time in accordance with the terms thereof.

**“Amended and Restated Master Trust Agreement Effective Time”** means the moment immediately after the Fourteenth Supplemental Effective Time.

**“Beneficial Owner”** means, whenever used with respect to a Series 2023-A Bond, the person in whose name such Bond is recorded as the beneficial owner by a Participant on the records of such Participant or such person’s subrogee.

**“DTC”** means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

**“Electronic Means”** shall mean facsimile transmission, email transmission or other similar electronic means of communication providing evidence of transmission, including a telephone communication confirmed by any other method set forth in this definition.

**“Fourteenth Supplemental Effective Time”** means the time on the Series 2023-A Closing Date at which both the City and the Trustee have executed and delivered this Fourteenth Supplemental Trust Agreement and the Series 2023-Bonds have been issued.

**“Fourteenth Supplemental Trust Agreement”** means this Fourteenth Supplemental Trust Agreement, dated as of June 1, 2023, by and between the City and the Trustee, as originally executed and as it may be amended from time to time in accordance with the terms of the Original Master Trust Agreement.

**“Participant”** means any participant in DTC’s book-entry system.

**“Payment Date”** means, with respect to the Series 2023-A Bonds, February 1 and August 1 of each year, commencing \_\_\_\_\_, 20\_\_.

**“Record Date”** means, with respect to the Series 2023-A Bonds, for a February 1 Payment Date, the immediately preceding January 15, and for an August 1 Payment Date, the immediately preceding July 15, regardless of whether such January 15 or July 15 is a Business Day.

**“Representation Letter”** means the Blanket Letter of Representations from the City to DTC which Representation Letter applies to the Series 2023-A Bonds.

**“Series 2023-A Acquisition Fund”** means the fund by that name created pursuant to Section 5.3 of this Fourteenth Supplemental Trust Agreement.

**“Series 2023-A Bonds”** means the City of Los Angeles Solid Waste Resources Revenue Bonds, Series 2023-A, issued under the Original Master Trust Agreement and this Fourteenth Supplemental Trust Agreement.

**“Series 2023-A Closing Date”** means the date upon which the Series 2023-A Bonds are delivered to the Series 2023-A Original Purchasers of the Series 2023-A Bonds, being May [24], 2023.

**“Series 2023-A Continuing Disclosure Certificate”** means the Continuing Disclosure Certificate, dated as of June 1, 2023, executed by the City, as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

**“Series 2023-A Costs of Issuance”** means the costs and expenses incurred by the City in connection with the authorization, preparation, issuance, sale and delivery of the Series 2023-A Bonds, including but not limited to the initial fees and expenses of the Trustee and Trustee’s counsel, the fees and expenses of bond counsel, disclosure counsel and the municipal advisor, rating agency fees, printing costs and related expenses.

**“Series 2023-A Costs of Issuance Fund”** means the fund by that name created pursuant to Section 5.2 of this Fourteenth Supplemental Trust Agreement.

**“Series 2023-A Interest Subaccount”** means the subaccount by that name created within the Interest Account of the Debt Service Fund pursuant to Section 5.2 of this Fourteenth Supplemental Trust Agreement.

**“Series 2023-A MFBI Project”** has the meaning ascribed thereto in the recitals to this Fourteenth Supplemental Trust Agreement.

**“Series 2023-A Original Purchasers”** means, collectively, J.P. Morgan Securities LLC, Samuel A. Ramirez & Co., Inc., Cabrera Capital Markets, LLC and Jefferies LLC, as the original purchasers of the Series 2023-A Bonds from the City.

**“Series 2023-A Participating Underwriters”** has the meaning ascribed to the term “Participating Underwriters” in the Series 2023-A Continuing Disclosure Certificate.

**“Series 2023-A Principal Subaccount”** means the subaccount by that name created within the Principal Account of the Debt Service Fund pursuant to Section 5.2 of this Fourteenth Supplemental Trust Agreement.

**“Series 2023-A Projects”** means, collectively, the acquisition of equipment, including vehicles and other items, and the installation thereof, if any, and facilities, including the construction and renovation of real property and other capital improvements for the refuse collection and disposal system of the City payable from the Solid Waste Resources Revenue Fund as determined by the City, including the Series 2023-A MFBI Project.

**“Series 2023-A Rebate Fund”** means the fund by that name created pursuant to Section 5.4 of this Fourteenth Supplemental Trust Agreement.

**“Series 2023-A Rebate Requirement”** means the amount of rebatable arbitrage computed as of the last day of any Bond Year (as defined in the Series 2023-A Tax Certificate) pursuant to Section 1.148-3 of the Treasury Regulations.

**“Series 2023-A Redemption Subaccount”** means the subaccount by that name created within the Redemption Account of the Debt Service Fund pursuant to Section 5.2 of this Fourteenth Supplemental Trust Agreement.

**“Series 2023-A Reserve Account”** means the account by that name created within the Reserve Fund pursuant to Section 5.1 of this Fourteenth Supplemental Trust Agreement.

**“Series 2023-A Tax Certificate”** means, collectively, the Certificate as to Arbitrage and the Certificate Regarding Use of Proceeds to be executed and delivered by the City on the Series 2023-A Closing Date with respect to the Series 2023-A Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

## ARTICLE II

### THE SERIES 2023-A BONDS

**Section 2.1. Designation of the Series 2023-A Bonds; Principal Amount.** The Series 2023-A Bonds shall be designated as “City of Los Angeles Solid Waste Resources Revenue Bonds, Series 2023-A” and shall be issued in the aggregate original principal amount of \$[PAR].

**Section 2.2. Series 2023-A Bonds under the Original Master Trust Agreement; Security.** The Series 2023-A Bonds are issued as Additional Bonds under and subject to the terms of the Original Master Trust Agreement, including Section 2.09 of the Original Master Trust Agreement, and are secured by and payable from the Revenues and limited amounts held in the applicable funds and accounts in accordance with the terms of the Original Master Trust Agreement and this Fourteenth Supplemental Trust Agreement.

#### **Section 2.3. Terms of the Series 2023-A Bonds.**

(a) The Series 2023-A Bonds shall be issuable only as fully registered Bonds in denominations of \$5,000 and integral multiples thereof. The Series 2023-A Bonds shall be numbered as determined by the Registrar.

(b) The Series 2023-A Bonds shall, upon initial issuance, be dated the date of issuance. Each Series 2023-A Bond shall bear interest from the Payment Date next preceding the date of authentication thereof unless such date of authentication is a Payment Date, in which event such Series 2023-A Bond shall bear interest from such date of authentication or unless such date of authentication is after a Record Date and prior to the subsequent Payment Date, in which event such Series 2023-A Bond shall bear interest from said subsequent Payment Date or unless such date of authentication is on or before [July 15, 2023], in which event such Series 2023-A Bond shall bear interest from the initial date of issuance. If interest on the Series 2023-A Bonds shall be in default, Series 2023-A Bonds issued in exchange for Series 2023-A Bonds surrendered for transfer or exchange shall bear interest from the Payment Date to which interest has been paid in full on the Series 2023-A Bonds surrendered.

(c) Interest on the Series 2023-A Bonds shall be paid, based upon a 360-day year comprised of twelve 30-day months, on each Payment Date.

(d) The Series 2023-A Bonds shall mature in the years and in the amounts and bear interest at the annual rates as set forth in the following schedule:

February 1 of the Year	Principal Amount	Interest Rate
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(e) Payment of principal of the Series 2023-A Bonds shall be made upon surrender of the Series 2023-A Bonds to the Trustee or its agent, and payment of interest on any Series 2023-A Bond shall be made to such person as is, on the Record Date, the registered owner thereof and shall be paid by check of the Trustee mailed on the Payment Date to such person at his address as it appears on the registration books of the Registrar or at such other address as is furnished to the Registrar in writing by such registered owner provided, however, that if an owner of \$1,000,000 or more in principal amount of Series 2023-A Bonds requests payment by wire transfer by submitting a written request therefor to the Trustee on or before the Record Date preceding a Payment Date, the Trustee shall on the Payment Date wire transfer the interest payment(s) in immediately available funds to the U.S. account designated by such owner.

(f) The Series 2023-A Bonds shall be substantially in the form of Exhibit A, which is part of this Fourteenth Supplemental Trust Agreement. The Series 2023-A Bonds shall be signed on behalf of the City by the Mayor, the City Administrative Officer or an Assistant City Administrative Officer, and countersigned by the City Clerk or a Deputy City Clerk. All signatures and countersignatures may be printed, lithographed or otherwise mechanically reproduced except that one signature must be signed manually. If any officer whose signature appears on the Series 2023-A Bonds ceases to be an officer before the delivery of the Series 2023-A Bonds, his or her signature shall be as effective as if they had remained in office.

(g) If the principal of a Series 2023-A Bond becomes due and payable, but shall not have been paid, or provision made for its payment, then such Series 2023-A Bond shall bear interest at the same rate after such default as on a day before the default occurred.

**Section 2.4. Exchange of Series 2023-A Bonds.**

(a) Series 2023-A Bonds that are delivered to the Registrar for exchange may be exchanged for an equal total principal amount of Series 2023-A Bonds of the same maturity but of different authorized denominations.

(b) The Registrar will not, however, be required to transfer or exchange any such Series 2023-A Bond during the period established by the Trustee for the selection of Series 2023-A Bonds for redemption, any Series 2023-A Bond called for redemption, or during the period beginning on a Record Date and ending on a Payment Date.

## **Section 2.5. Book-Entry System for the Series 2023-A Bonds.**

(a) Except as provided in subparagraph (d) of this Section 2.5 of this Fourteenth Supplemental Trust Agreement, the registered owner of all of the Series 2023-A Bonds shall be DTC and the Series 2023-A Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of principal or interest for any Series 2023-A Bond registered in the name of Cede & Co. shall be made on the payment date by wire transfer of New York clearing house or equivalent next day funds or by wire transfer of same day funds to the account of Cede & Co. Such payments shall be made to Cede & Co. at the address which is, on the regular Record Date or special record date, as the case may be, shown for Cede & Co. in the registration books of the City. The Series 2023-A Bonds shall be registered on the registration books of the Trustee, as Registrar of the Series 2023-A Bonds by the City, in the name of Cede & Co., as nominee of DTC. The City may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2023-A Bonds registered in its name for the purposes of payment of the principal or redemption price of or interest on the Series 2023-A Bonds, respectively, selecting the Series 2023-A Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under the Original Master Trust Agreement or this Fourteenth Supplemental Trust Agreement, registering the transfer of Series 2023-A Bonds, as the case may be, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever, and neither the City nor the Trustee shall be affected by any notice to the contrary.

(b) Neither the City nor the Trustee shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Series 2023-A Bonds under or through DTC or any Participant, or any other person which is not shown on the registration books as being a Bondholder, with respect to the accuracy of any records maintained by DTC or any Participant; the payment to DTC or any Participant of any amount in respect of the principal of, redemption price of or interest on the Series 2023-A Bonds; any notice which is permitted or required to be given to Bondholders under the Original Master Trust Agreement or this Fourteenth Supplemental Trust Agreement; the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Series 2023-A Bonds; or any consent given or other action taken by DTC as Bondholder. The Trustee shall pay all principal of and premium, if any, and interest on the Series 2023-A Bonds only to or "upon the order of" (as that term is used in the Uniform Commercial Code as adopted in the State of California) DTC, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations, with respect to the principal of and premium, if any, and interest on the Series 2023-A Bonds, respectively, to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Series 2023-A Bond evidencing the obligation of the City to make payments of principal of and premium, if any, and interest pursuant to the Original Master Trust Agreement or this Fourteenth Supplemental Trust Agreement. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the word "Cede & Co." in this Fourteenth Supplemental Trust Agreement shall refer to such new nominee of DTC.

(c) If the City determines that it is in the best interest of the Beneficial Owners of the Series 2023-A Bonds that they be able to obtain Series 2023-A Bond certificates and that such certificates should, therefore, be made available, the Trustee shall, upon receipt of a written request of the City signed by an Authorized City Representative, so notify DTC of such determination, then DTC shall notify the Participants of the availability through DTC of Series 2023-A Bond certificates. In such event the Trustee shall authenticate and shall transfer and

exchange Series 2023-A Bond certificates as requested by DTC and any other Bondholders in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Series 2023-A Bonds at any time by giving written notice to the City and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the Trustee shall be obligated to deliver Series 2023-A Bond certificates as described in this Fourteenth Supplemental Trust Agreement. If Series 2023-A Bond certificates are issued, the provisions of the Original Master Trust Agreement and this Fourteenth Supplemental Trust Agreement shall apply to, among other things, the transfer and the Series 2023-A Bonds to any Participant having Series 2023-A Bonds credited to its DTC account or (b) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2023-A Bonds.

(d) Notwithstanding any other provision of the Original Master Trust Agreement or this Fourteenth Supplemental Trust Agreement to the contrary, so long as any Series 2023-A Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on such Series 2023-A Bond and all notices with respect to such Series 2023-A Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

### **ARTICLE III**

#### **REDEMPTION**

**Section 3.1. Optional Redemption of the Series 2023-A Bonds.** The Series 2023-A Bonds maturing on or after February 1, 20\_\_ are subject to redemption at the option of the City, on or after [February 1, 20\_\_], in whole or in part on any date, from any moneys that may be provided for such purpose. The Series 2023-A Bonds so redeemed shall be redeemed at a redemption price equal to the principal amount of such Series 2023-A Bonds, without premium, plus accrued interest to the date fixed for redemption.

#### **Section 3.2. Notices to Trustee; Notices to Bondholders.**

(a) The City shall notify the Trustee of the exercise of its option to redeem Series 2023-A Bonds pursuant to Section 3.1 of this Fourteenth Supplemental Trust Agreement, the redemption date, the principal amount of Series 2023-A Bonds to be redeemed and other necessary particulars. The City shall give such notice to the Trustee at least 45 days before the redemption date.

(b) The Trustee shall give notice of redemption to Bondholders affected by such redemption as provided in Section 3.03 of the Original Master Trust Agreement and the Trustee shall, at least 20 days and not more than 60 days before each redemption, send such notice of redemption by first-class United States mail, postage prepaid or Electronic Means to each Bondholder of a Series 2023-A Bond to be redeemed at their addresses appearing on the registration books of the Registrar. Such notice shall not be a condition precedent to such redemption and failure by any Bondholder to receive notice as provided herein shall not affect the validity of any such redemption. In addition, the Trustee shall file each notice of redemption with the Municipal Securities Rulemaking Board through its EMMA system.

(c) The City has the right to rescind any notice of the optional redemption of Series 2023-A Bonds by written notice to the Trustee on or prior to the date fixed for redemption. In

addition, with respect to any notice of any optional redemption of Series 2023-A Bonds, unless at the time such notice is given the Series 2023-A Bonds to be redeemed shall be deemed to have been paid within the meaning of Article VI of the Original Master Trust Agreement, such notice shall state that such redemption is conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the redemption price of, and accrued interest on, the Series 2023-A Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the City shall not be required to redeem such Series 2023-A Bonds. In the event a notice of redemption of Series of 2023-A Bonds contains such a condition and such moneys are not so received, the redemption of Series 2023-A Bonds as described in the conditional notice of redemption shall not be made and the Trustee shall, within a reasonable time after the date on which such redemption was to occur, give notice to the persons and in the manner in which the notice of redemption was given, that such moneys were not so received and that there shall be no redemption of Series 2023-A Bonds pursuant to such notice of redemption.

**Section 3.3. Payment of Series 2023-A Bonds Called for Redemption.** Upon surrender to the Trustee or the Trustee's agent, the Series 2023-A Bonds called for redemption shall be paid at the redemption price stated in the notice, plus interest accrued to the redemption date.

**Section 3.4. Selection of Series 2023-A Bonds for Redemption; Series 2023-A Bonds Redeemed in Part.**

(a) The Series 2023-A Bonds are subject to redemption in such order of maturity as the City may direct and by lot, selected in such manner as the Trustee shall deem appropriate, within a maturity.

(b) Upon surrender of a Series 2023-A Bond to be redeemed in part, the Trustee shall authenticate for the Bondholder a new Series 2023-A Bond or Series 2023-A Bonds of the same maturity equal in principal amount to the unredeemed portion of the Series 2023-A Bond surrendered.

## ARTICLE IV

### APPLICATION OF PROCEEDS

**Section 4.1. Application of Proceeds.**

(a) The net proceeds of the sale of the Series 2023-A Bonds received by the Trustee in the amount \$\_\_\_\_\_ (which is equal to the initial principal amount of the Series 2023-A Bonds, *plus* a net original issue premium of \$\_\_\_\_\_, *less* an underwriters' discount in the amount of \$\_\_\_\_\_), shall be applied immediately by the Trustee as follows:

- (i) the amount of \$\_\_\_\_\_ shall be deposited in the Series 2023-A Costs of Issuance Fund;
- (ii) the amount of \$\_\_\_\_\_ shall be deposited in the Series 2023-A Reserve Account; and



(iii) the amount of \$\_\_\_\_\_ shall be transferred to the City for credit to the Series 2023-A Acquisition Fund.

(b) The Trustee may, in its discretion, establish a temporary fund or account in its books or records to facilitate the foregoing transfers.

**Section 4.2. Sources of Payment of Series 2023-A Bonds.** The Series 2023-A Bonds shall be secured by and payable from the Revenues as provided in the Original Master Trust Agreement and this Fourteenth Supplemental Trust Agreement. The City may, but is not obligated to, provide for payment of principal of and interest on the Series 2023-A Bonds from any other source or from any other funds of the City.

## ARTICLE V

### FUNDS AND ACCOUNTS FOR SERIES 2023-A BONDS

**Section 5.1. Series 2023-A Reserve Account.** There is hereby created within the Reserve Fund a separate account designated the "Series 2023-A Reserve Account." Such account shall be established for purposes of calculating and accounting for the amount of earnings upon the portion of the Reserve Fund related to the Series 2023-A Bonds for rebate purposes as set forth in Article VI of this Fourteenth Supplemental Trust Agreement, but for all other purposes shall be held, invested and used as an integral part of the Reserve Fund as provided in Sections 4.04 and 4.06, as applicable, and 4.10 of the Original Master Trust Agreement; *provided, however*, that (i) promptly after the Amended and Restated Master Trust Agreement Effective Time, the Trustee shall transfer all amounts on deposit in the Series 2023-A Reserve Account to the Series 2023-A Acquisition Fund for use by the City solely to pay Costs of the Series 2023-A Projects as provided in Section 5.3 of this Fourteenth Supplemental Trust Agreement and, upon making such transfer, the Series 2023-A Reserve Account shall be closed, (ii) on and after the Amended and Restated Master Trust Agreement Effective Time, under no circumstances shall the owners of any Outstanding Bonds have any rights with respect to, or otherwise be secured by, the amounts initially deposited in the Series 2023-A Reserve Account or the amounts which are subsequently transferred therefrom by the Trustee to the Series 2023-A Acquisition Fund pursuant to this Section 5.1 of this Fourteenth Supplemental Trust Agreement, and (iii) on and after the Amended and Restated Master Trust Agreement Effective Time, the owners of the Series 2023-A Bonds shall have no interest in or claim to the Reserve Fund or any other debt service fund established for any other Bonds.

### **Section 5.2. Series 2023-A Costs of Issuance Fund and Series 2023-A Subaccounts within the Debt Service Fund.**

(a) There is hereby created a special fund to be designated the "Series 2023-A Costs of Issuance Fund," which fund shall be held and administered by the Trustee in the manner set forth in this Section. The City shall cause a portion of the proceeds of the Series 2023-A Bonds to be deposited into the Series 2023-A Costs of Issuance Fund in the amount set forth in Section 4.1 of this Fourteenth Supplemental Trust Agreement and shall give written instructions to the Trustee to expend such moneys solely to pay the Series 2023-A Costs of Issuance, pursuant to requisitions in substantially the form attached hereto as Exhibit C. On the last Business Day that is no later than six months after the Series 2023-A Closing Date, the Trustee shall transfer any moneys remaining in the Series 2023-A Costs of Issuance Fund to

the Series 2023-A Interest Subaccount, and, upon making such transfer, the Series 2023-A Costs of Issuance Fund shall be closed.

(b) There is hereby created within the Interest Account of the Debt Service Fund, a separate subaccount to be designated the "Series 2023-A Interest Subaccount." There is hereby created within the Principal Account of the Debt Service Fund, a separate subaccount to be designated the "Series 2023-A Principal Subaccount." There is hereby created within the Redemption Account of the Debt Service Fund, a separate subaccount to be designated the "Series 2023-A Redemption Subaccount."

(c) Interest earnings on amounts held in the Series 2023-A Costs of Issuance Fund, the Series 2023-A Interest Subaccount, the Series 2023-A Principal Subaccount, and the Series 2023-A Redemption Subaccount shall be retained therein and used along with the other moneys held in such funds for the purposes specified herein and in the Original Master Trust Agreement.

### **Section 5.3. Series 2023-A Acquisition Fund.**

(a) Pursuant to Section 4.08 of the Original Master Trust Agreement, there is hereby created a special fund to be designated the "Series 2023-A Acquisition Fund," which fund shall be held and administered by the City in the manner set forth in this Section. There shall be deposited into the Series 2023-A Acquisition Fund the amount set forth in Section 4.1 of this Fourteenth Supplemental Trust Agreement and transferred amounts as provided in Section 5.1 of this Fourteenth Supplemental Trust Agreement. Such moneys shall from time to time be used solely to pay Costs of the Series 2023-A Project. Any moneys remaining in the Series 2023-A Acquisition Fund on the earlier of the date the City determines that the Series 2023-A Projects have been completed or such earlier or later date as the City may determine, consistent with the Series 2023-A Tax Certificate, shall be transferred by the City to the Trustee for deposit into the Series 2023-A Principal Subaccount. The City shall provide written notice to the Trustee specifying the amount of any such moneys transferred from the Series 2023-A Acquisition Fund, and directing the Trustee to deposit such amount into the Series 2023-A Principal Subaccount.

(b) Interest earnings on amounts held in the Series 2023-A Acquisition Fund shall be retained therein.

### **Section 5.4. Series 2023-A Rebate Fund.**

(a) The Trustee shall establish and maintain a special fund designated the "Series 2023-A Rebate Fund." There shall be deposited in the Series 2023-A Rebate Fund such amounts as are required to be deposited therein pursuant to the Series 2023-A Tax Certificate, as specified in a Written Request of the City. All money at any time deposited in the Series 2023-A Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Series 2023-A Rebate Requirement, for payment to the United States of America. Notwithstanding defeasance of the Series 2023-A Bonds pursuant to the Original Master Trust Agreement or anything to the contrary contained therein, all amounts required to be deposited into or on deposit in the Series 2023-A Rebate Fund shall be governed exclusively by this Section and by the Series 2023-A Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the City, and shall have no liability or responsibility to enforce compliance by the City with the terms of the Series 2023-A Tax Certificate. The Trustee may conclusively

rely upon the City's determinations, calculations and certifications required by the Series 2023-A Tax Certificate. The Trustee shall have no responsibility to independently make any calculation or determination or to review the City's calculations.

(b) Any funds remaining in the Series 2023-A Rebate Fund after payment in full of all of the Series 2023-A Bonds and after payment of any amounts described in this Section, shall, upon receipt by the Trustee of a written request signed by an Authorized City Representative, be withdrawn by the Trustee and remitted to the City.

## **ARTICLE VI**

### **COVENANTS**

#### **Section 6.1. Tax Covenants.**

(a) The City will assure that the proceeds of the Series 2023-A Bonds are not so used as to cause the Series 2023-A Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

(b) The City will not take any action or permit or suffer any action to be taken if the result of such action would be to cause any of the Series 2023-A Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

(c) The City will take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Series 2023-A Bonds.

(d) The City will not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Series 2023-A Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Series 2023-A Bonds would have caused the Series 2023-A Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code.

(e) The City will take all actions necessary to assure the exclusion of interest on the Series 2023-A Bonds from the gross income of the owners of the Series 2023-A Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Series 2023-A Bonds.

(f) The City will retain its records of all accounting and monitoring it carries out with respect to the Series 2023-A Bonds for at least 3 years after the Series 2023-A Bonds mature or are redeemed (whichever is earlier); however, if the Series 2023-A Bonds are redeemed and refunded, the City will retain its records of accounting and monitoring at least 3 years after the earlier of the maturity or redemption of the obligations that refund the Series 2023-A Bonds.

(g) The City will comply with the provisions of the Series 2023-A Bonds Tax Certificate, which are incorporated herein as if fully set forth herein. The covenants of this Section 6.1 will survive payment in full or defeasance of the Series 2023-A Bonds.

(h) Notwithstanding any provision of this Section 6.1 of this Fourteenth Supplemental Trust Agreement, if the City shall provide to the Trustee an opinion of Bond Counsel to the

effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Series 2023-A Bonds, the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and of the Series 2023-A Bonds Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

**Section 6.2. Continuing Disclosure.** The City shall comply with and carry out all of the provisions of the Series 2023-A Continuing Disclosure Certificate. Notwithstanding any other provision of the Original Master Trust Agreement, failure of the City to comply with the Series 2023-A Continuing Disclosure Certificate shall not constitute an Event of Default under the Original Master Trust Agreement; provided however, that the Trustee may (and, at the written direction of the Series 2023-A Participating Underwriters or the holders of at least 25% of the aggregate principal amount of Outstanding Series 2023-A Bonds, and upon receipt of indemnification reasonably satisfactory to the Trustee, shall) or any Beneficial Owner of the Series 2023-A Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

**Section 6.3. Receipt of Confirmations.** The City acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the City the right to receive brokerage confirmations of security transactions as they occur, the City shall not receive such confirmations to the extent permitted by law. The Trustee will furnish the City periodic cash transaction statements that shall include detail for all investment transactions made by the Trustee hereunder.

## ARTICLE VII

### APPLICABLE PAYMENT PROVISIONS

**Section 7.1. Payment.** The City and the Trustee shall utilize the payment provisions of Section 4.06 of the Original Master Trust Agreement; provided, however, that on and after the Amended and Restated Master Trust Agreement Effective Time, so long as any Bonds are Outstanding, the City and the Trustee shall utilize the payment provisions of Section 4.04 and Section 4.05 of the Amended and Restated Master Trust Agreement.

## ARTICLE VIII

### AMENDMENT AND RESTATEMENT OF ORIGINAL MASTER TRUST AGREEMENT

**Section 8.1. Amendment and Restatement of Original Master Trust Agreement.** Effective on the Amended and Restated Master Trust Agreement Effective Time, (i) the Original Master Trust Agreement shall be amended and restated to read in full as set forth in the Amended and Restated Master Trust Agreement in the form attached to this Fourteenth Supplemental Trust Agreement as Exhibit D hereto, and (ii) reference to the Amended and Restated Master Trust Agreement need not be made in any bonds, document, agreement, letter, certificate, or any communication issued or made subsequent to or with respect to the Original Master Trust Agreement (including without limitation the Existing Bonds and the Supplemental Trust Agreements relating thereto), it being hereby agreed that any reference therein to the Original Master Trust Agreement shall be sufficient to refer to the Original Master Trust Agreement as amended and restated by the Amended and Restated Master Trust

Agreement, provided, however, that (i) references to “Master Trust Agreement” in Article III of the Thirteenth Supplemental Trust Agreement (as defined in the Amended and Restated Master Trust Agreement) shall continue to refer to the “Original Master Trust Agreement,” not the Amended and Restated Master Trust Agreement and (ii) references to “Original Master Trust Agreement” in the recitals to, and Article VIII of, this Fourteenth Supplemental Trust Agreement shall continue to refer to the “Original Master Trust Agreement,” not the Amended and Restated Master Trust Agreement.

### **Section 8.2. Notice Regarding Amended and Restated Master Trust Agreement.**

(a) Pursuant to of Section 9.03(c) of the Original Master Trust Agreement, the City caused notice of the proposed execution of the Amended and Restated Master Trust Agreement to be given by first-class United States mail, postage prepaid to all Bondholders of the Outstanding Bonds, other than the Series 2023-A Bonds (which Bonds consist of the Existing Bonds).

(b) By its purchase thereof, each initial Beneficial Owner of the Series 2023-A Bonds, as the holder thereof for purposes of Sections 9.03(a), 9.03(d) and 9.03(e) of the Original Master Trust Agreement, (i) acknowledges and agrees that the Preliminary Official Statement dated \_\_\_\_\_, 2023 for the Series 2023-A Bonds (the “Series 2023-A Bonds Preliminary Official Statement”) and the Official Statement dated \_\_\_\_\_, 2023 for the Series 2023-A Bonds (the “Series 2023-A Bonds Official Statement”) each provide notice of the proposed execution of the Amended and Restated Master Trust Agreement and that the Series 2023-A Bonds Preliminary Official Statement and the Series 2023-A Bonds Official Statement each sets forth the nature of the Amended and Restated Master Trust Agreement, and (ii) waives the provisions of Section 9.03(c) of the Original Master Trust Agreement stating that notice of the proposed execution of the Amended and Restated Master Trust Agreement is to be given by first-class United States mail, postage prepaid.

### **Section 8.3. Bondholder Consents.**

(a) By its purchase thereof, each initial Beneficial Owner of the Series 2023-A Bonds shall, as the holder thereof for purposes of Sections 9.03(a), 9.03(d) and 9.03(e) of the Original Master Trust Agreement, be deemed to have consented, in writing, to the Amended and Restated Master Trust Agreement and each initial Beneficial Owner of the Series 2023-A Bonds so acknowledges and agrees. The City and the Trustee acknowledge and agree that such consent in writing constitutes the consent of the holders of not less than 51% in aggregate principal amount of the Outstanding Bonds.

(b) As provided in Section 9.03(e) of the Original Master Trust Agreement, as a result of such consent by each initial Beneficial Owner of the Series 2023-A Bonds, no Bondholders shall have any right to object to the adoption of the Amended and Restated Master Trust Agreement, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution and delivery thereof, or to enjoin or restrain the City from executing the same or from taking any action pursuant to the provisions thereof.

(c) As provided in Section 11.04 of the Original Master Trust Agreement, each such consent by an initial Beneficial Owner of the Series 2023-A Bonds shall bind every future Bondholder of the same Series 2023-A Bonds or any Series 2023-A Bonds issued in lieu thereof in respect of anything done by the Trustee or the City in pursuance of such consent.

## ARTICLE IX

### APPOINTMENT OF TRUSTEE AND REGISTRAR

**Section 9.1. Appointment.** The City hereby appoints U.S. Bank Trust Company, National Association to act as successor Trustee and Registrar with respect to the Existing Bonds, the Series 2023-A Bonds and all other Bonds issued under the Original Master Trust Agreement.

## ARTICLE X

### MISCELLANEOUS

**Section 10.1. Limitation of Rights.** Nothing expressed or implied in this Fourteenth Supplemental Trust Agreement or the Series 2023-A Bonds shall give any person other than the Trustee, City and the holders of the Series 2023-A Bonds any right, remedy or claim under or with respect to this Fourteenth Supplemental Trust Agreement.

**Section 10.2. Severability.** If any provision of this Fourteenth Supplemental Trust Agreement shall be determined to be unenforceable, that shall not affect any other provision of this Fourteenth Supplemental Trust Agreement. If there shall be any conflict between the terms of this Fourteenth Supplemental Trust Agreement and the terms of the Original Master Trust Agreement (as in effect on the day prior to the effective date of this Fourteenth Supplemental Trust Agreement), the terms of this Fourteenth Supplemental Trust Agreement shall prevail.

**Section 10.3. Payments Due on Non-Business Days.** If a payment date is not a Business Day at the place of payment, then payment may be made at that place on the next Business Day, and no interest shall accrue for the intervening period.

**Section 10.4. Governing Law.** This Fourteenth Supplemental Trust Agreement shall be governed by and construed in accordance with the laws of the State.

**Section 10.5. Captions.** The captions in this Fourteenth Supplemental Trust Agreement are for convenience only and do not define or limit the scope or intent of any provisions or Sections in this Fourteenth Supplemental Trust Agreement.

**Section 10.6. Amendments.** This Fourteenth Supplemental Trust Agreement may only be amended in accordance with Article IX of the Original Master Trust Agreement.

**Section 10.7 Execution in Several Counterparts.** This Fourteenth Supplemental Trust Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Facsimile signatures or signatures scanned into a portable document format (.pdf file) (or signatures in another electronic format designated by the City) and sent by e-mail shall be deemed original signatures.

**Section 10.8. Effective Time.** This Fourteenth Supplemental Trust Agreement shall take effect at the Fourteenth Supplemental Effective Time.

[Signatures Follow on Next Page]

IN WITNESS WHEREOF, the parties hereto have duly executed this Fourteenth Supplemental Trust Agreement as of the date first written above.

**CITY OF LOS ANGELES**

By: \_\_\_\_\_  
Benjamin Ceja  
Assistant City Administrative Officer

Approved as to Form:  
Hydee Feldstein Soto,  
City Attorney

By: \_\_\_\_\_  
Amy Pham  
Deputy City Attorney

**U.S. BANK TRUST COMPANY,  
NATIONAL ASSOCIATION,  
AS TRUSTEE**

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

**FORM OF SERIES 2023-A BOND**

No. R-

\$ \_\_\_\_\_

**UNITED STATES OF AMERICA  
STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES  
CITY OF LOS ANGELES**

**CITY OF LOS ANGELES  
SOLID WASTE RESOURCES REVENUE BOND,  
SERIES 2023-A**

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
	February 1, ____	_____, 2023	

**REGISTERED OWNER:** CEDE & CO.

**PRINCIPAL SUM:**

The CITY OF LOS ANGELES (hereinafter sometimes called the "City"), a municipal corporation and chartered city, duly organized and existing under the Constitution of the State of California and the Charter of the City (the "Charter"), for value received, hereby promises to pay (but solely from the funds hereinafter mentioned) to the Registered Owner named above or registered assigns on the Maturity Date specified above (subject to right of prior redemption as hereinafter stated), upon presentation and surrender of this Series 2023-A Bond, the Principal Sum set forth above, with interest thereon (payable solely from said funds) from the date hereof at the Interest Rate per annum set forth above, interest payable on February 1 and August 1 of each year, commencing \_\_\_\_\_, 20\_\_ (each a "Payment Date"), until this Series 2023-A Bond is paid; provided, however, that if at the maturity date of this bond, or if the same is duly called for redemption, then at the date fixed for redemption, funds are available for payment or redemption thereof, as provided in the Master Trust Agreement hereinafter mentioned, this Series 2023-A Bond shall then cease to bear interest.

This Series 2023-A Bond is one of a series of duly authorized issue of bonds of the City designated "City of Los Angeles Solid Waste Resources Revenue Bonds, Series 2023-A" (hereinafter called the "Series 2023-A Bonds") in the aggregate principal amount of \$[PAR] in denominations of \$5,000 and integral multiples thereof all of like tenor (except for bond numbers and maturity dates and differences, if any, in interest rate), all of which have been issued pursuant to and in full conformity with the Charter and Ordinance No. 174129, effective September 1, 2001, codified at Sections 11.27.50 through 11.27.58 of Division 11, Chapter 1, Article 6.4 of the Los Angeles Administrative Code, as amended from time to time, to, among



other things, finance the acquisition of certain equipment, including vehicles and other items, and the installation thereof, if any, and facilities, including the construction and renovation of real property and other capital improvements for the refuse collection and disposal system of the City, which include vehicles, for the collection of bulky items from multi-family dwellings, and are authorized by and issued pursuant to a resolution adopted by the City on May [30], 2023, a Master Trust Agreement, dated as of September 1, 2001, by and between the City and U.S. Bank Trust Company, National Association, as successor trustee, as amended from time to time prior to the date hereof (as so amended, the "Original Master Trust Agreement") and as supplemented by a Fourteenth Supplemental Trust Agreement dated as of June 1, 2023, by and between the City and U.S. Bank Trust Company, National Association, as successor trustee (the "Fourteenth Supplemental Trust Agreement"). Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Original Master Trust Agreement, as supplemented by the Fourteenth Supplemental Trust Agreement.

This Series 2023-A Bond shall bear interest from the Payment Date next preceding the date of authentication thereof unless such date of authentication is a Payment Date, in which event such Series 2023-A Bond shall bear interest from such date of authentication or unless such date of authentication is after a Record Date and prior to the subsequent Payment Date, in which event such Bond shall bear interest from said subsequent Payment Date or unless such date of authentication is on or before [July 15, 2023], in which event such Bond shall bear interest from the initial date of issuance. If interest on the Series 2023-A Bonds shall be in default, Series 2023-A Bonds issued in exchange for Series 2023-A Bonds surrendered for transfer or exchange shall bear interest from the Payment Date to which interest has been paid in full on the Series 2023-A Bonds surrendered. Payment of principal of this Series 2023-A Bond shall be made upon surrender of this Series 2023-A Bond to the Trustee or its agent, and payment of interest on this Series 2023-A Bond shall be made to such person as is, on the Record Date, the Registered Owner hereof and shall be paid by check of the Trustee mailed on the Payment Date to such person at his address as it appears on the registration books of the Registrar or at such other address as is furnished to the Registrar in writing by the Registered Owner hereof (or under certain circumstances by wire transfer to an account within the United States). As used above, "Record Date" means, for a February 1 Payment Date, the immediately preceding January 15, and for an August 1 Payment Date, the immediately preceding July 15, regardless of whether such January 15 or July 15 is a Business Day.

Neither this Series 2023-A Bond, the interest hereon, nor any premium payable upon the redemption hereof, is a debt of the State of California or any of its political subdivisions (other than the City to the extent set forth herein) and neither said state nor any of its political subdivisions is liable thereon, nor in any event shall this Series 2023-A Bond or said interest or premiums be payable out of any funds or properties other than the funds of the City hereinafter mentioned. This Series 2023-A Bond does not constitute any indebtedness in contravention of any constitutional or statutory debt limitation or restriction. No covenant or agreement contained in this Series 2023-A Bond shall be deemed to be a covenant or agreement of any present or future official, officer, agent or employee of the City, in his individual capacity, and no person executing this Series 2023-A Bond shall be liable personally on this Series 2023-A Bond or be subject to any personal liability or accountability by reason of the issuance of this Series 2023-A Bond.

***Pledge of Revenues; Security.*** The Series 2023-A Bonds are special, limited obligations of the City and are secured solely by and payable from a pledge of the Revenues and, subject to application of amounts on deposit therein as permitted in the Original Master Trust Agreement, the SWR Revenue Fund (as defined below) and certain other funds and

accounts created under the Original Master Trust Agreement and the Fourteenth Supplemental Trust Agreement for the payment of the Series 2023-A Bonds in accordance with the terms of the Original Master Trust Agreement, as supplemented by the Fourteenth Supplemental Trust Agreement. "Revenues" include (a) the Solid Waste Collection, Transfer, Recycling, Recovery of Waste Resources and Disposal Fee received by the Solid Waste Resources Revenue Fund (or any successor fund held by the City, the "SWR Revenue Fund") after deduction of administration charges by the Department of Water and Power of the City, (b) any other legally available income, rates, fees, charges and other moneys which the City designates by ordinance or resolution for deposit in the SWR Revenue Fund, and (c) the earnings on and income derived from the investment of the amounts set forth in clauses (a) and (b) above.

Pursuant to the Fourteenth Supplemental Trust Agreement, a separate account designated the "Series 2023-A Reserve Account" was created within the Reserve Fund on the date the Series 2023-A Bonds were issued. Such account was established for purposes of calculating and accounting for the amount of earnings upon the portion of the Reserve Fund related to the Series 2023-A Bonds for rebate purposes as set forth in Article VI of the Fourteenth Supplemental Trust Agreement, but for all other purposes held, invested and used as an integral part of the Reserve Fund as provided in Sections 4.04 and 4.06, as applicable, and 4.10 of the Original Master Trust Agreement; *provided, however*, that (i) promptly after the Amended and Restated Master Trust Agreement Effective Time (as hereinafter defined), the Trustee will transfer all amounts on deposit in the Series 2023-A Reserve Account to the Series 2023-A Acquisition Fund for use by the City solely to pay Costs of the Series 2023-A Projects as provided in the Fourteenth Supplemental Trust Agreement and, upon making such transfer, the Series 2023-A Reserve Account shall be closed, (ii) on and after the Amended and Restated Master Trust Agreement Effective Time, under no circumstances shall the owners of any Outstanding Bonds have any rights with respect to, or otherwise be secured by, the amounts initially deposited in the Series 2023-A Reserve Account or the amounts which are subsequently transferred therefrom by the Trustee to the Series 2023-A Acquisition Fund pursuant to the Fourteenth Supplemental Trust Agreement, and (iii) on and after the Amended and Restated Master Trust Agreement Effective Time, the owners of the Series 2023-A Bonds shall have no interest in or claim to the Reserve Fund or any other debt service fund established for any other Bonds.

All of the Series 2023-A Bonds are equally secured by Revenues and certain other funds and accounts created under the Original Master Trust Agreement, as supplemented by the Fourteenth Supplemental Trust Agreement, in accordance with the terms of the Original Master Trust Agreement, as supplemented by the Fourteenth Supplemental Trust Agreement, reference to which is hereby made for a specific description of the security therein provided for the Series 2023-A Bonds, for the nature, extent and manner of enforcement of such security, for the covenants and agreements made for the benefit of Bondholders, and for a statement of the rights of the Bondholders, and by the acceptance of this Series 2023-A Bond the holder hereof assents to all of the terms, conditions and provisions of the Original Master Trust Agreement and the Fourteenth Supplemental Trust Agreement.

***Parity Indebtedness.*** The City previously issued debt obligations outstanding and payable from the Revenues on a parity with the Series 2023-A Bonds. The City may issue additional debt on a parity with the Series 2023-A Bonds but only in accordance with the provisions contained in the Original Master Trust Agreement.

***Transfer and Exchange.*** Upon surrender for transfer of any Series 2023-A Bond at the principal corporate trust office of the Registrar for such Series 2023-A Bond, the Trustee shall

authenticate and the Registrar for such Series 2023-A Bond shall deliver in the name of the transferee or transferees a new fully authenticated and registered Series 2023-A Bond or Series 2023-A Bonds of authorized denominations of the same Series and same maturity for the same aggregate principal amount. Bondholders may present the Series 2023-A Bonds at the principal corporate trust office of the applicable Registrar for exchange for Series 2023-A Bonds of different authorized denominations and, upon such presentation, the Trustee shall authenticate and the Registrar shall deliver to the Bondholder a new fully authenticated and registered Series 2023-A Bond or Series 2023-A Bonds of the same Series and same maturity for the same aggregate principal amount. All Series 2023-A Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Trustee and the applicable Registrar, duly executed by the Bondholder or by his duly authorized attorney. The Trustee and the applicable Registrar also may require payment from the Bondholder of a sum sufficient to cover any tax, or other governmental fee or charge that may be imposed in relation thereto. The Registrar will not, however, be required to transfer or exchange any such Series 2023-A Bond during the period established by the Trustee for the selection of Series 2023-A Bonds for redemption, any Series 2023-A Bond called for redemption or during the period beginning on a Record Date and ending on a Payment Date.

**Events of Default.** The Original Master Trust Agreement provides that the occurrences of certain events constitute Events of Default. Bondholders may not enforce the Original Master Trust Agreement or the Series 2023-A Bonds except as provided in the Original Master Trust Agreement. The Trustee may refuse to enforce the Original Master Trust Agreement or the Series 2023-A Bonds unless it receives satisfactory security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

**Defeasance.** The Original Master Trust Agreement contains provisions permitting the City to make provision for the payment of the principal of and interest and premium, if any, on any of the Series 2023-A Bonds so that such Series 2023-A Bonds shall no longer be deemed to be Outstanding under the terms of the Original Master Trust Agreement.

**Limited Obligation.** 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 City of Los Angeles and solely with respect to the Revenues as provided in the Original Master Trust Agreement, is pledged to the payment of the principal of, premium, if any, or interest on, this Series 2023-A Bond.

It is hereby recited, certified and declared that any and all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Series 2023-A Bond exist, have happened and have been performed in due time, form and manner as required by the Charter and the Constitution and the laws of the State of California.

**Amendment of Original Master Trust Agreement.** In the manner provided in the Original Master Trust Agreement, the Original Master Trust Agreement and the rights and obligations of the City and of the holders of the Series 2023-A Bonds, may (with certain exceptions as stated in the Original Master Trust Agreement) be modified or amended without the consent of the owners of the Series 2023-A Bonds under certain limited circumstances stated therein and may be modified or amended with the consent of the holders of not less than 51% in aggregate principal amount of the Bonds then Outstanding, exclusive of any Bonds

known to the Trustee to be held by or for the account of the City or by any person controlling, controlled by or under common control with the City.

Concurrently with the issuance of the Series 2023-A Bonds, the City and the Trustee have executed and delivered an Amended and Restated Master Trust Agreement, dated as of June 1, 2023, by and between the City and the Trustee (as amended, supplemented, amended and restated or otherwise modified from time to time in accordance with the terms thereof, the "Amended and Restated Master Trust Agreement"), pursuant to Section 9.03(a) of the Original Master Trust Agreement. By purchase of the Series 2023-A Bonds, each initial Beneficial Owner of the Series 2023-A Bonds, as the holder thereof for purposes of Sections 9.03(a), 9.03(d) and 9.03(e) of the Original Master Trust Agreement, has been deemed to have consented, in writing, to the Amended and Restated Master Trust Agreement and such consent constitutes the consent of the holders of not less than 51% in aggregate principal amount of the Outstanding Bonds for purposes of said Sections 9.03(a), 9.03(d) and 9.03(e). The Amended and Restated Master Trust Agreement will become effective the moment immediately after the Fourteenth Supplemental Trust Agreement dated as June 1, 2023, between the City and the Trustee became effective on the Series 2023-A Closing Date and the Series 2023-Bonds are issued (such date being June [28], 2023) (the "Amended and Restated Master Trust Agreement Effective Time"). Accordingly, all references to the Original Master Trust Agreement in this Series 2023-A Bond shall be deemed to refer to the Amended and Restated Master Trust Agreement on and after the Amended and Restated Master Trust Agreement Effective Time.

**Authentication and Registration.** This Series 2023-A Bond shall not be valid and the holder hereof shall not be entitled to any benefit hereunder or under the Original Master Trust Agreement unless this Series 2023-A Bond shall have been authenticated by the Trustee by the manual signature of a duly authorized officer.

Unless this Series 2023-A Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL because the Registered Owner hereof, Cede & Co., has an interest therein.

**IN WITNESS WHEREOF**, the City of Los Angeles has caused this Series 2023-A Bond to be signed on its behalf by the Mayor, City Administrative Officer or an Assistant City Administrative Officer, and countersigned by the City Clerk or a Deputy City Clerk (all signatures and countersignatures printed, lithographed or otherwise mechanically reproduced except that one signature must be signed manually), authenticated by the Trustee and this Series 2023-A Bond to be dated the \_\_\_ day of \_\_\_\_\_, 2023.

**CITY OF LOS ANGELES**

By: \_\_\_\_\_  
Assistant City Administrative Officer

Countersigned:

---

City Clerk

**TRUSTEE'S CERTIFICATION OF AUTHENTICATION**

This Series 2023-A Bond is one of the Series 2023-A Bonds described in the within mentioned Original Master Trust Agreement.

Date of Authentication:

**U.S. BANK TRUST COMPANY,  
NATIONAL ASSOCIATION,  
AS TRUSTEE**

By: \_\_\_\_\_  
Authorized Officer

**FORM OF ASSIGNMENT**

For value received \_\_\_\_\_ hereby sell, assign and transfer unto \_\_\_\_\_ the within bond and hereby irrevocably constitute and appoint \_\_\_\_\_ attorney, to transfer the same on the books of the Trustee at the office of the Trustee, with full power of substitution in the premises.

---

NOTE: The signature to this Assignment must correspond with the name on the face of the within registered bond in every particular, without alteration or enlargement or any change whatsoever.

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

Signature Guaranteed by:

---

NOTE: Signature must be guaranteed by an authorized guarantor.

**EXHIBIT B**

**DEBT SERVICE SCHEDULE  
Series 2023-A Bonds**

<b>Interest Payment Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
----------------------------------	------------------	-----------------	---------------------------

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Total

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**EXHIBIT C**

**FORM OF REQUISITION FOR SERIES 2023-A COSTS OF ISSUANCE FUND**

**REQUISITION NO.**

**with reference to**

**[\$[PAR]  
City of Los Angeles  
Solid Waste Resources Revenue Bonds,  
Series 2023-A**

The City of Los Angeles (the "City") hereby requests U.S. Bank Trust Company, National Association, as successor trustee, pursuant to the Master Trust Agreement, dated as of September 1, 2001, by and between the City and State Street Bank and Trust Company of California, N.A., as trustee (as amended, supplemented, amended and restated or otherwise modified from time to time in accordance with the terms thereof, the "Master Trust Agreement"), to pay from the moneys in the Series 2023-A Costs of Issuance Fund established pursuant to the Master Trust Agreement, the following amounts, as indicated below. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Master Trust Agreement.

<u>Payee</u>	<u>Amount</u>	<u>Purpose</u>
--------------	---------------	----------------

Each obligation hereto has been properly incurred and is a proper charge against the Series 2023-A Costs of Issuance Fund as part of Series 2023-A Costs of Issuance, in accordance with the Master Trust Agreement. None of the items for which payment is requested has been reimbursed previously from the Series 2023-A Costs of Issuance Fund.

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

**CITY OF LOS ANGELES**

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

**EXHIBIT D**

**FORM OF AMENDED AND RESTATED MASTER TRUST AGREEMENT**

[To be attached]

**AMENDED AND RESTATED MASTER TRUST AGREEMENT**

**by and between the**

**CITY OF LOS ANGELES**

**and**

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,  
AS TRUSTEE**

**City of Los Angeles  
Solid Waste Resources Revenue Bonds**

**Dated as of June 1, 2023**

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## **AMENDED AND RESTATED MASTER TRUST AGREEMENT**

This **AMENDED AND RESTATED MASTER TRUST AGREEMENT**, dated as of June 1, 2023 (this “Master Trust Agreement”), is by and between the CITY OF LOS ANGELES (the “City”), a municipal corporation and a chartered city duly organized and existing under and pursuant to the provisions of the Constitution of the State of California (the “State”) and the Charter of the City (the “Charter”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the “Trustee”).

### **RECITALS**

**WHEREAS**, pursuant to City Ordinance No. 166308, codified as Section 5.121.5 of the Administrative Code of the City (as amended from time to time, including as amended by City Ordinance No. 177927, the “Administrative Code”), the City established a special fund known as the “Solid Waste Resources Special Revenue Fund,” (herein defined as the Solid Waste Resources Revenue Fund) into which there is deposited all revenues received from the imposition of the Solid Waste Collection, Transfer, Recycling, Recovery of Waste Resources and Disposal Fee established in Section 66.41(a) of Article 6.1 of Chapter VI of the Municipal Code of the City (as amended from time to time, the “Municipal Code”); and

**WHEREAS**, pursuant to Section 361 of the Charter, the City has the power to issue revenue bonds pursuant to procedural ordinances adopted by the Council of the City, and on July 24, 2001, the Council adopted Ordinance No. 174129, codified at Sections 11.27.50 through 11.27.58 of Division 11, Chapter 1, Article 6.4 of the Administrative Code, pursuant to which the City may issue revenue bonds payable from and secured by the moneys in the Solid Waste Resources Revenue Fund and the earnings thereon to acquire equipment, including vehicles and other items, and the installation thereof, if any, and facilities, including the construction and renovation of real property and other capital improvements, payable from the moneys in the Solid Waste Resources Special Revenue Fund as determined by the City; and

**WHEREAS**, by Resolution adopted by the Council on September 4, 2001 (the “Original Resolution”), the Council determined that the public interest and necessity required and may in the future further require the issuance of bonds to finance the acquisition of land and equipment and the construction of real property for the City’s refuse collection and disposal system; and

**WHEREAS**, pursuant to the Original Resolution, the City previously executed and delivered a Master Trust Agreement, dated as of September 1, 2001, by and between the City and State Street Bank and Trust Company of California, N.A., as trustee, which, in accordance with its terms, has been amended from time to time prior to the Amended and Restated Master Trust Agreement Effective Time (hereinafter more fully defined as the Original Master Trust Agreement); and

**WHEREAS**, the City has previously issued thirteen series of bonds pursuant to supplemental trust agreements supplementing the Original Master Trust Agreement and of such bonds, five series, consisting of the Existing Bonds (as hereinafter defined) issued pursuant to the Original Master Trust Agreement as supplemented by the Existing Supplemental Trust Agreements (as hereinafter defined), were outstanding as of the date hereof; and

**WHEREAS**, pursuant to Section 9.03(a) of the Original Master Trust Agreement, the City desires and the Trustee agrees to amend and restate the Original Master Trust Agreement in its entirety pursuant to this Master Trust Agreement as set forth in Section 11.08 hereof; and

**WHEREAS**, the conditions precedent set forth in the Original Master Trust Agreement to the effectiveness of the amendments and restatement thereof have been satisfied and that all other acts and proceedings required by law necessary to constitute this Master Trust Agreement a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Master Trust Agreement have been in all respects duly authorized; and

**NOW, THEREFORE**, the City and the Trustee agree to amend and restate the Original Master Trust Agreement as follows, each for the benefit of the other and/or the benefit of holders of the Bonds secured by this Master Trust Agreement:

### **GRANTING CLAUSE**

To secure the payment of the interest, principal and premium, if any, on the Bonds and the performance and observance by the City of all the covenants, agreements and conditions expressed or implied herein or contained in the Bonds, the City hereby pledges and assigns to the Trustee and grants to the Trustee a first lien on, and security interest in all right, title and interest of the City in and to all of the following and provides that such lien and security interest shall be prior in right to any other pledge, lien or security interest created by the City in the following:

- (a) Revenues, subject to application as provided herein;
- (b) all moneys on deposit from time to time in the Solid Waste Resources Revenue Fund, subject to application as provided herein;
- (c) all moneys and securities held from time to time by the Trustee or any Paying Agent in the Debt Service Fund;
- (d) to the extent provided in any Supplemental Trust Agreement, moneys and securities held in any Acquisition Fund or any other funds and accounts created pursuant to a Supplemental Trust Agreement (other than any Rebate Fund) whether or not held by the Trustee;
- (e) earnings on amounts included in provisions (a), (b), (c) and (d) of this Granting Clause; and
- (f) any and all other funds, assets, rights, properties or interests therein, which may from time to time hereafter be pledged or assigned to the Trustee as additional security hereunder, for the equal and proportionate benefit and security of all Bonds;

all of which, regardless of the time or times of their authentication and delivery or maturity, shall, with respect to the security provided by this Granting Clause, be of equal rank without preference, priority or distinction as to any Bond over any other Bond or Bonds, except as to the timing of payment of the Bonds.



In addition, for the benefit of the Owners of the Covered Bonds, the City hereby pledges and assigns to the Trustee and grants to the Trustee a first lien on, and security interest in all right, title and interest of the City in and to all moneys and securities on deposit in the Reserve Fund and the earnings thereon.

Without limiting the foregoing, any additional security, including any Credit Facility, provided for specific Bonds or a specific Series of Bonds may, as provided by Supplemental Trust Agreement, secure only such specific Bonds or Series of Bonds and, therefore, shall not be included as security for all Bonds under this Master Trust Agreement, and moneys and securities held in trust as provided in Section 4.09 hereof exclusively for Bonds which have become due and payable and moneys and securities which are held exclusively to pay Bonds which are deemed to have been paid under Article VI hereof shall be held solely for the payment of such specific Bonds.

## **ARTICLE I**

### **DEFINITIONS; INTERPRETATION**

Section 1.01. Definitions. The capitalized terms used in this Master Trust Agreement and in any Supplemental Trust Agreement shall, for all purposes of this Master Trust Agreement, have the meanings specified in this Article I, unless a different definition is given such term in said Supplemental Trust Agreement or unless the context clearly requires otherwise.

“Acquisition Fund” shall mean the fund or funds held by the Trustee or the City created pursuant to Section 4.03 hereof and any Supplemental Trust Agreement, consisting of a portion of the proceeds of the Bonds used to pay the Costs of a Project.

“Additional Bonds” shall mean the bonds and any other evidence of indebtedness issued or incurred by the City pursuant to Section 2.08 of this Master Trust Agreement after the Series 2023-A Closing Date.

“Additional Revenues” shall mean an allowance for Revenues arising from any increase in the Solid Waste Collection, Transfer, Recycling, Recovery of Waste Resources and Disposal Fee and/or any other legally available income, rates, fees, charges and other moneys described in clause (2) of the definition of Revenues, in each case which has become effective prior to the date of calculation but which, during all or any part of such Fiscal Year, was not in effect, in an amount equal to the total amount by which the Revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year.

“Administrative Code” shall mean the Administrative Code of the City, as amended from time to time.

“Amended and Restated Master Trust Agreement Effective Time” means the moment immediately after the time on the Series 2023-A Closing Date at which both the City and the Trustee have executed and delivered the Fourteenth Supplemental Trust Agreement and the Series 2023-A Bonds have been issued.

“Authorized City Representative” shall mean the City Administrative Officer, any Assistant City Administrative Officer, the Treasurer of the City or such other official or employee of the City designated as an Authorized City Representative in a Supplemental Trust Agreement or by written

notice to the Trustee signed by the City Administrative Officer or any Assistant City Administrative Officer. Any action required or authorized to be taken by the City in this Master Trust Agreement or any Supplemental Trust Agreement may be taken by an Authorized City Representative to the extent authorized by a Supplemental Trust Agreement or such written notice.

“Balloon Indebtedness” shall mean, with respect to any Series of Bonds designated as “Balloon Indebtedness” by the City in a certificate at the time of issuance of such Series and with respect to which twenty-five percent (25%) or more of the principal matures on the same date or within a 12-month period, that portion of such Series which matures on such date or within such 12-month period; provided, however, that to constitute Balloon Indebtedness the amount of indebtedness maturing on a single date or over a 12-month period must equal or exceed one hundred fifty percent (150%) of the amount of such Series which matures during any preceding 12-month period. For purposes of this definition, the principal amount maturing on any date shall be reduced by the amount of such indebtedness which is required, by the documents governing such indebtedness, to be amortized by prepayment or redemption prior to its stated maturity date.

“Bond” or “Bonds” shall mean any bonds and other evidence of indebtedness of the City issued or incurred under and in accordance with the provisions of Article II of this Master Trust Agreement, including, but not limited to the Existing Bonds and all Additional Bonds issued pursuant to this Master Trust Agreement.

“Bond Counsel” shall mean an attorney or firm of attorneys acceptable to the City who are nationally recognized as experts in the area of municipal finance and who are familiar with the transactions contemplated under this Master Trust Agreement.

“Bondholder,” “Holder,” “Owner” or “Registered Owner” shall mean the person in whose name any Bond or Bonds are registered on the books maintained by the Registrar for such Bond or Bonds.

“Business Day” shall mean any day other than a Saturday, a Sunday or a day on which banks in the State of California or the City in which the principal corporate trust office of the Trustee is located are authorized or obligated by law or executive order to close.

“Charter” shall mean the Charter of the City of Los Angeles, as amended from time to time.

“City” shall mean the City of Los Angeles, a municipal corporation and a chartered city duly organized and existing under and pursuant to the provisions of the Constitution of the State.

“City Attorney” shall mean the Office of the City Attorney of the City including the City Attorney, any Assistant City Attorney and any Deputy City Attorney or any other legal counsel designated by the City.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and the United States Treasury Regulations applicable thereto.

“Consultant” shall mean one or more Independent consultants, consulting firms, engineers, architects, engineering firms, architectural firms, accountants or accounting firms, or other experts recognized to be well-qualified for work of the character required and retained from time to time by the City to perform acts and carry out the duties provided for such consultant in this Master Trust Agreement.

“Continuing Disclosure Certificates” shall mean those certain Continuing Disclosure Certificate(s) executed by the City, dated the date of issuance and delivery of a Series of Bonds, as originally executed and as it may be amended from time to time.

“Costs” or “Costs of a Project” shall mean all costs of planning, developing, financing, constructing, installing, equipping, furnishing, improving, acquiring, enlarging and/or renovating a Project and placing the same in service.

“Covered Bonds” means the Series 2013-A Bonds, Series 2013-B Bonds, and Series 2015-A Bonds and any Additional Bonds that are covered by the Reserve Fund as set forth in the Supplemental Trust Agreement for such Additional Bonds as provided in Section 2.08 of this Master Trust Agreement.

“Credit Facility” shall mean, with respect to one or more Series of Bonds, a policy of municipal bond insurance, a letter of credit, surety bond, line of credit, guarantee, standby purchase agreement or other financial instrument which obligates a third party to make payment of or provide funds to the Trustee for the payment of the principal of and/or interest on such Series of Bonds.

“Credit Provider” shall mean, with respect to one or more Series of Bonds, the party obligated to make payment of principal of and interest on such Series of Bonds under a Credit Facility.

“Debt Service” shall mean, for any Fiscal Year, the sum of the following:

(1) the interest accruing during such Fiscal Year on all Bonds, assuming that all Outstanding serial Bonds are retired as scheduled and that all Outstanding term Bonds are prepaid or paid from sinking fund payments as scheduled (except to the extent that such interest is to be paid from the proceeds of sale of any Outstanding Bonds),

(2) that portion of the principal amount of all Outstanding serial Bonds maturing in such Fiscal Year or maturing in the next succeeding Fiscal Year accruing during such Fiscal Year in each case computed as if such principal amounts were deemed to accrue daily during such Fiscal Year in equal amounts over a 12-month period ending on the maturity date, and

(3) that portion of the principal amount of all Outstanding term Bonds required to be prepaid or paid in such Fiscal Year or during the next succeeding Fiscal Year in each case computed as if such principal amounts were deemed to accrue daily during such Fiscal Year in equal amounts over a 12-month period ending on the payment or prepayment date;

provided, however, that for purposes of such calculation:

(i) as to any such Bonds bearing or comprising interest at other than a fixed rate, the rate of interest used to calculate Debt Service shall be one hundred ten percent (110%) of the greater of the following:

(a) the daily average interest rate on such Bonds during the twelve (12) months preceding the date of calculation (or the portion of the then current Fiscal Year that such Bonds have borne interest) or

(b) the most recent effective interest rate on such Bonds prior to the date of calculation;

(ii) if any series or issue of such Bonds constitutes Balloon Indebtedness, Debt Service shall be determined for the Fiscal Year of determination as if the principal of and interest on such series or issue of such Bonds were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of fifteen (15) years from the date of calculation;

(iii) as to any such Bonds or portions thereof bearing no interest but which are sold at a discount and which discount accretes with respect to such Bonds or portions thereof, such accreted discount shall be treated as interest in the calculation of Debt Service at maturity in the year in which it matures; and

(iv) the amount on deposit in a debt service reserve fund on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Bonds for which such debt service reserve fund was established and in each preceding year until such amount is exhausted.

“Debt Service Fund” shall mean the Debt Service Fund required to be created by Section 4.03 hereof.

“Electronic Means” shall mean facsimile transmission, email transmission or other similar electronic means of communication providing evidence of transmission, including a telephone communication confirmed by any other method set forth in this definition.

“Eleventh Supplemental Trust Agreement” shall mean that certain Eleventh Supplemental Trust Agreement dated as of March 1, 2015, between the City and the Trustee, relating to the Series 2015-A Bonds.

“Event of Default” shall mean any occurrence or event specified in Section 7.01 hereof.

“Existing Bonds” shall mean, collectively, the Series 2013-A Bonds, the Series 2013-B Bonds, the Series 2015-A Bonds, the Series 2018-A Bonds and the Series 2023-A Bonds.

“Existing Supplemental Trust Agreements” shall mean, collectively, the Ninth Supplemental Trust Agreement, the Tenth Supplemental Trust Agreement, the Eleventh Supplemental Trust Agreement, the Twelfth Supplemental Trust Agreement, the Thirteenth Supplemental Trust Agreement and the Fourteenth Supplemental Trust Agreement.

“Fair Market Value” shall mean with respect to any Series of Bonds the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term “Fair Market Value” shall mean the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance

with applicable regulations under the Code, (iii) the investment is a United States Treasury Security—State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the City and related parties do not own more than a ten percent (10%) beneficial interest if the return paid by such fund is without regard to the source of the investment.

“Fiscal Year” shall mean the period of time beginning on July 1 of each given year and ending on June 30 of the immediately subsequent year, or such other twelve (12) month period as the City designates as its fiscal year.

“Fourteenth Supplemental Trust Agreement” shall mean that certain Fourteenth Supplemental Trust Agreement dated as of June 1, 2023, between the City and the Trustee, relating to the Series 2023-A Bonds.

“Government Obligations” shall mean direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including, with respect only to direct and general obligations and not to guaranteed obligations, evidences of ownership of proportionate interests in future interest and/or principal payments of such obligations, provided that investments in such proportionate interests must be limited to circumstances wherein: (1) a bank or trust company acts as custodian and holds the underlying United States Obligations; (2) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States Obligations; and (3) the underlying United States Obligations are held in a special account separate from the custodian's general assets and are not available to satisfy any claim of the custodian, any person claiming through the custodian or any person to whom the custodian may be obligated. “United States Obligations” shall include any stripped interest or principal portion of United States Treasury securities and any stripped interest portion of Resolution Funding Corporation (REFCORP) securities.

“Independent” shall mean, when used with respect to any specified firm or individual, such a firm or individual who (i) does not have any direct financial interest or any material indirect financial interest in the operations of the City, other than the payment to be received under a contract for services to be performed, and (ii) is not connected with the City as an official, officer or employee.

“Liquidity Facility” shall mean, with respect to one or more Series of Bonds, a letter of credit, line of credit, standby purchase agreement or other financial instrument, including a Credit Facility, which is available to provide funds with which to purchase such Bonds.

“Liquidity Provider” shall mean, with respect to one or more Series of Bonds, the entity, including a Credit Provider, which is obligated to provide funds to purchase such Bonds under the terms of a Liquidity Facility.

“Master Trust Agreement” shall mean this Amended and Restated Master Trust Agreement dated as of June 1, 2023, between the City and the Trustee, as the same may be amended, supplemented, amended and restated or otherwise modified from time to time in accordance with the terms hereof.

“Maximum Annual Debt Service” shall mean the greatest Debt Service in any Fiscal Year during the period beginning with the current Fiscal Year and ending with the Fiscal Year in which the last Outstanding Bonds mature by their terms.

“Municipal Code” shall mean the Municipal Code of the City, as amended from time to time.

“Ninth Supplemental Trust Agreement” shall mean that certain Ninth Supplemental Trust Agreement dated as of February 1, 2013, between the City and the Trustee, relating to the Series 2013-A Bonds.

“Original Master Trust Agreement” shall mean the Master Trust Agreement, dated as of September 1, 2001, by and between the City and State Street Bank and Trust Company of California, N.A., as trustee, as amended from time to time prior to the Amended and Restated Master Trust Agreement Effective Time.

“Outstanding” when used with respect to Bonds, shall mean all Bonds which have been authenticated and delivered under this Master Trust Agreement, except:

- (a) Bonds cancelled or purchased by the Trustee for cancellation or delivered to or acquired by the Trustee for cancellation and, in all cases, with the intent to extinguish the debt represented thereby;
- (b) Bonds deemed to be paid in accordance with Article VI;
- (c) Bonds in lieu of which other Bonds have been authenticated under Sections 2.05, 2.06 or 2.07 hereof;
- (d) Bonds that have become due (at maturity or on redemption or otherwise) and for the payment of which sufficient moneys, including interest accrued to the due date, are held by the Trustee or a Paying Agent;
- (e) Bonds which, under the terms of the Supplemental Trust Agreement pursuant to which they were issued, are deemed to be no longer Outstanding; and
- (f) for purposes of any consent or other action to be taken by the holders of a specified percentage of Bonds under this Master Trust Agreement, Bonds known to the Trustee to be held by or for the account of the City or by any person controlling, controlled by or under common control with the City.

“Paying Agent” or “Paying Agents” shall mean, with respect to any Bonds or Series of Bonds, the Treasurer or such banks, trust companies or other financial institutions or other entities designated in a Supplemental Trust Agreement as the place where such Bonds shall be payable.

“Permitted Investments” shall mean any of the following securities if and to the extent the same are permitted by law and shall include such other securities as are set out in an applicable Supplemental Trust Agreement, but only to the extent that the same are acquired at Fair Market Value:

- (1) Cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in paragraph (2) below);
- (2) Direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America;

(3) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- Export-Import Bank
- Farm Credit System Financial Assistance Corporation
- Farmers Home Administration
- General Service Administration
- U.S. Maritime Administration
- Small Business Administration
- Government National Mortgage Association
- (GNMA)
- U.S. Department of Housing & Urban Development
- (PHA's)
- Federal Housing Administration

(4) senior debt obligations rated in one of the two highest rating categories by any Rating Agency issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation;

(5) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase in one of the two highest rating categories by any Rating Agency and maturing no more than 360 days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(6) commercial paper which is rated at the time of purchase in one of the two highest rating categories by any Rating Agency and which matures not more than 270 days after the date of purchase;

(7) investments in a money market fund rated in one of the two highest rating categories by any Rating Agency;

(8) investment agreements or guaranteed investment contracts (i) with or guaranteed by a national or state chartered bank or savings and loan, an insurance company or other financial institution whose unsecured debt is rated in the highest short-term rating categories (if the term of the investment agreement is less than three years) or in one of the two highest long-term rating category (if the term of the Investment Agreement is three years or longer) from two or more Rating Agencies or (ii) which are fully secured by obligations described in item (1), (2), (3) or (4) of the definition of Permitted Investments which are (a) valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to one hundred two percent (102%) of the principal amount of the investment, together with the interest accrued and unpaid thereon, (b) held by the Trustee (who may not be the provider of the collateral), any Federal Reserve Bank or a depository acceptable to the Trustee, (c) subject to a perfected first lien on behalf of the Trustee, and (d) free and clear from all third party liens;

(9) other investments and forms of investments (including repurchase agreements) which are (i) entered into with banks or trust companies organized under state law, national banking associations, insurance companies or government bond dealers reporting to, trading with, and recognized as a primary dealer by, the Federal Reserve Bank of New York and which either are members of the Securities Investors Protection

Corporation or with a dealer or parent holding company that has an investment grade rating from two or more Rating Agencies, and (ii) fully secured by investments specified in items (1), (2), (3) or (4) of the definition of Permitted Investments which are (a) valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to amount invested in such repurchase agreements, (b) held by the Trustee (who may not be the provider of the collateral), any Federal Reserve Bank or a depository acceptable to the Trustee, (c) subject to a perfected first lien on behalf of the Trustee, and (d) free and clear from all third party liens ;

(10) the State of California Local Agency Investment Fund (LAIF); and

(11) any investment permitted by the investment policy of the City.

“Procedural Ordinance” shall mean Ordinance No. 174129 adopted by the Council on July 24, 2001, as amended from time to time, and codified at Sections 11.27.50 through 11.27.58 of Division 11, Chapter 1, Article 6.4 of the Administrative Code.

“Project” shall mean any and all equipment, property and facilities financed or to be financed in whole or in part with proceeds of one or more Series of Bonds, or any refinancings thereof, and which are otherwise permitted to be financed or refinanced under the Procedural Ordinance.

“Rating Agency” shall mean any nationally recognized securities rating agency designated by the City.

“Rebate Fund” shall mean any fund created by the City pursuant to a Supplemental Trust Agreement in connection with the issuance of a Series of Bonds for the purpose of complying with the Code and providing for the collection and holding for and payment of amounts due to the United States of America.

“Redemption Account” shall mean any of the Redemption Accounts created within the Debt Service Fund pursuant to Section 4.03 hereof and further described in a Supplemental Trust Agreement.

“Refunding Bonds” shall mean any Bonds issued pursuant to Article II of this Master Trust Agreement to refund or defease all or a portion of any Outstanding Bonds or Subordinated Obligations.

“Registrar” shall mean, (i) initially, U.S. Bank Trust Company, National Association as Registrar for all of the Bonds, and (ii) any other bank, trust company or other entity designated in a Supplemental Trust Agreement as replacement thereof to perform the function of Registrar under this Master Trust Agreement or any Supplemental Trust Agreement, and which entity has accepted the position in accordance with Section 8.12 hereof.

“Repayment Obligations” shall mean an obligation arising under a written agreement of the City and a Credit Provider pursuant to which the City agrees to reimburse the Credit Provider for amounts paid through a Credit Facility to be used to pay debt service on any Bonds or an obligation arising under a written agreement of the City and a Liquidity Provider pursuant to which the City agrees to reimburse the Liquidity Provider for amounts paid through a Liquidity Facility to be used to purchase Bonds.



“Reserve Fund” shall mean the trust fund created and held by the Trustee pursuant to Section 4.03(c) of this Master Trust Agreement.

“Reserve Fund Surety Policy” shall mean an insurance policy, surety bond or a letter of credit which may be drawn upon in an amount equal to any deficiencies which may exist from time to time in the Debt Service Fund for the purpose of making payments on the related Series of Bonds.

“Reserve Requirement” shall mean, with respect to each Series of the Covered Bonds, as of the date of calculation, an amount equal to the lesser of (a) the Maximum Annual Debt Service with respect to the Covered Bonds, (b) one hundred twenty-five percent (125%) of the average annual aggregate Debt Service with respect to the Covered Bonds, and (c) ten percent (10%) of the original principal amount of the Covered Bonds (or, if the Covered Bonds have more than a de minimis amount of original issue discount or premium, ten percent (10%) of the issue price of the Covered Bonds).

“Responsible Officer” shall mean an officer, trust officer or assistant trust officer of the Trustee assigned by the Trustee to administer this Master Trust Agreement.

“Revenue Decreases” shall mean a decrease in Revenues arising from any decrease in the Solid Waste Collection, Transfer, Recycling, Recovery of Waste Resources and Disposal Fee and/or any other legally available income, rates, fees, charges and other moneys described in clause (2) of the definition of Revenues which has become effective prior to the date of calculation but which, during all or any part of such Fiscal Year, was not in effect, in an amount equal to the total amount by which the Revenues would have been decreased if such decrease in charges had been in effect during the whole of such Fiscal Year.

“Revenues” shall mean (1) the Solid Waste Collection, Transfer, Recycling, Recovery of Waste Resources and Disposal Fee received by the Solid Waste Resources Revenue Fund after deduction of administrative charges by the Department of Water and Power of the City; (2) any other legally available income, rates, fees, charges and other moneys which the City designates by ordinance or resolution for deposit in the Solid Waste Resources Revenue Fund; and (3) the earnings on and income derived from the investment of the amounts set forth in clauses (1) and (2) above.

“Series” shall mean Bonds designated as a separate Series by a Supplemental Trust Agreement.

“Series 2013-A Bonds” shall mean the \$73,665,000 original principal amount of City of Los Angeles, California Solid Waste Resources Revenue Bonds, Series 2013-A, outstanding in the aggregate principal amount of \$33,860,000 as of the date hereof.

“Series 2013-B Bonds” shall mean the \$78,780,000 original principal amount of City of Los Angeles, California Solid Waste Resources Refunding Revenue Bonds, Series 2013-B, outstanding in the aggregate principal amount of \$5,685,000 as of the date hereof.

“Series 2015-A Bonds” shall mean the \$76,670,000 original principal amount of City of Los Angeles, California Solid Waste Resources Refunding Revenue Bonds, Series 2015-A, outstanding in the aggregate principal amount of \$4,810,000 as of the date hereof.

“Series 2018-A Bonds” shall mean the \$110,530,000 original principal amount of City of Los Angeles Solid Waste Resources Revenue Bonds, Series 2018-A, outstanding in the aggregate principal amount of \$84,100,000 as of the date hereof.

“Series 2023-A Bonds” shall mean the \$\_\_\_\_\_ original principal amount of City of Los Angeles Solid Waste Resources Revenue Bonds, Series 2023-A, outstanding in the aggregate principal amount of \$\_\_\_\_\_ as of the date hereof.

“Series 2023-A Closing Date” means the date upon which the Series 2023-A Bonds are delivered by the City to the original purchasers of the Series 2023-A Bonds, being June [28], 2023.

“Solid Waste Collection, Transfer, Recycling, Recovery of Waste Resources and Disposal Fee” shall mean the Solid Waste Collection, Transfer, Recycling, Recovery of Waste Resources and Disposal Fee imposed by Section 66.41(a) of Article 6.1 of Chapter VI of the Municipal Code, including penalties and delinquencies, as such charge may be revised from time to time.

“Solid Waste Resources Revenue Fund” shall mean the fund known as the “Solid Waste Resources Special Revenue Fund” created pursuant to Article 7 of Chapter 6 of Division 5 (Section 5.121.5) of the Administrative Code, or any successor fund held by the City.

“State” shall mean the State of California.

“Subordinated Obligation” shall mean any bond, note or other indebtedness issued or incurred by the City which ranks junior and subordinate to the Bonds and which satisfies the conditions set forth in Section 5.04.

“Supplemental Trust Agreement” shall mean any document supplementing, amending, amending and restating or otherwise modifying this Master Trust Agreement or providing for the issuance of Bonds and entered into as provided in Article IX of this Master Trust Agreement.

“Tenth Supplemental Trust Agreement” shall mean that certain Tenth Supplemental Trust Agreement dated as of February 1, 2013, between the City and the Trustee, relating to the Series 2013-B Bonds.

“Thirteenth Supplemental Trust Agreement” shall mean that certain Thirteenth Supplemental Trust Agreement dated as of July 1, 2018, between the City and the Trustee, relating to the Series 2018-A Bonds.

“Treasurer” shall mean the Treasurer of the City as set forth in the Charter.

“Trustee” shall mean the entity named as such in the heading of this Master Trust Agreement until a successor replaces it and, thereafter, shall mean such successor.

“Twelfth Supplemental Trust Agreement” shall mean that certain Twelfth Supplemental Trust Agreement dated as of July 1, 2018, between the City and the Trustee, relating to the Series 2018-A Bonds, as amended by the Thirteenth Supplemental Trust Agreement.

Section 1.02. Cross References. Except as otherwise indicated, references to Articles and Sections are to the Articles and Sections of this Master Trust Agreement.

Section 1.03. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words importing the singular number shall include the plural and vice versa, and words importing person shall include firms, associations and corporations, including public bodies, as well as natural persons.

Section 1.04. Accounting Terms. Terms used in this Master Trust Agreement in an accounting context and not otherwise defined shall have the meaning ascribed to them by generally accepted accounting principles.

Section 1.05. Interpretation of "Principal Amount" under this Master Trust Agreement. Whenever in this Master Trust Agreement it is provided that any actions be taken or determinations made on the basis of the principal amount of Bonds Outstanding or the principal amount of Bonds affected by an action, including the calculation of the principal amount of Bonds for purposes of declaring principal of Bonds due and payable pursuant to Article VII, the calculation of the principal amount of any Bonds that accrete interest shall be determined pursuant to the terms of Supplemental Trust Agreements for such Bonds.

## ARTICLE II

### FORM, EXECUTION, DELIVERY AND REGISTRATION OF BONDS

Section 2.01. Issuance of Bonds; Form; Dating. Bonds of each Series may be issued by the City, at one time or from time to time, under the terms of this Master Trust Agreement for any purpose payable from the Solid Waste Resources Revenue Fund for which the City, at the time of such issuance, may incur such debt. The City previously issued the Existing Bonds pursuant to the Original Master Trust Agreement as supplemented by the Existing Supplemental Trust Agreements. Additional Bonds of any Series may be issued under this Master Trust Agreement pursuant to and in accordance with the procedures set forth in the City Charter and the Procedural Ordinance but only if the provisions of Section 2.08 hereof are satisfied. Bonds of any Series may be in certificated or uncertificated form. Bonds of any Series issued in certificated form may be freely transferable or may be immobilized and held by a custodian for the beneficial owners, all as shall be set forth or permitted in the Supplemental Trust Agreement providing for the issuance of such Bonds. Bonds of any Series may have notations, legends or endorsements required by law or usage and shall be numbered and dated as provided in the applicable Supplemental Trust Agreement.

All Bonds shall state that they are issued under and secured by this Master Trust Agreement and shall further contain a statement substantially to the following effect:

"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 City of Los Angeles to the extent of Revenues, is pledged to the payment of the principal of, premium, if any, or interest on, this Bond."

Section 2.02. Terms, Medium and Place of Payment. Bonds of a Series shall be issued in the principal amount, shall bear interest at a rate or rates, which may include a rate of zero percent (0%) and/or including variable or adjustable rates or rates set by auction, or by such other methods as the City may determine, and such interest may be payable periodically, in whole or in part, or may be accumulated and paid at maturity or at such other time or times as the City

shall determine. Bonds shall mature and shall be subject to redemption prior to their respective maturities, all as shall be set forth in the applicable Supplemental Trust Agreement. Payments with respect to the Bonds of a Series shall be made as provided in the Supplemental Trust Agreement providing for the issuance of such Bonds of a Series, which provisions shall include the designation of the currency in which such payments shall be made. In addition, each such Supplemental Trust Agreement may provide for the appointment of a Registrar or Registrars and a Paying Agent or Paying Agents and such other agents as the City shall determine to be necessary in addition to or in place of the Trustee.

Section 2.03. Execution and Authentication. Bonds of each Series, if in certificated form, shall be signed and countersigned for the City as provided in the Supplemental Trust Agreement or in a resolution of the City authorizing such Bonds. Signatures and countersignatures may be signed manually, printed, lithographed or otherwise mechanically reproduced (including by facsimile signature) or as otherwise provided in the Procedural Ordinance. In case any officer whose signature or whose facsimile signature shall appear on any Bonds of any Series shall cease to be such officer before the authentication of such Bonds of such Series, such signature or the facsimile signature thereof shall nevertheless be valid and sufficient for all purposes the same as if he or she had remained in office until authentication. Also, if a person signing a Bond of any Series is the proper officer on the actual date of execution, the Bond of such Series will be valid even if that person is not the proper officer on the nominal date of action and even though, at the date of this Master Trust Agreement, such person was not such officer. A Bond of any Series in certificated form will not be valid until the Trustee or its agent or an authenticating agent designated by the City signs the certificate of authentication, by manual or facsimile signature, on the Bond of such Series. Such signature will be conclusive evidence that the Bond of such Series has been authenticated under this Master Trust Agreement. Different authenticating agents may be appointed for different Series of Bonds. Each reference in this Master Trust Agreement to authentication by the Trustee includes authentication by such agent.

With respect to Bonds of any Series issued under this Master Trust Agreement in uncertificated form, the procedures for issuance and delivery and evidence of validity, ownership, transfer and exchange shall be as provided in a Supplemental Trust Agreement, and neither the provisions of this Section nor any other provision of this Master Trust Agreement shall be deemed to prohibit or restrict the issuance of uncertificated Bonds.

Section 2.04. Bond Register. Bonds of each Series may be presented at the principal corporate trust office of the Registrar for such Series, unless a different office has been designated for such purpose, for registration, transfer and exchange. The Registrar for a Series of Bonds will keep a register of such Series of Bonds and of their transfer and exchange.

Section 2.05. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond of any Series is mutilated or defaced but identifiable by number and description, the City shall execute and the Trustee shall authenticate and deliver a new Bond of like Series, date, maturity and denomination as such Bond, upon surrender thereof to the Trustee; provided that there shall first be furnished to the Trustee clear and unequivocal proof satisfactory to the Trustee that the Bond is mutilated or defaced. The Bondholder shall accompany the above with a deposit of money required by the Trustee for the cost of preparing the substitute Bond and all other expenses connected with the issuance of such substitute. The Trustee, in conjunction with the relevant Registrar, if other than the Trustee, shall then cause proper record to be made of the cancellation of the original, and thereafter the substitute shall have the validity of the original.

If any Bond of any Series is lost, stolen or destroyed, the City may execute and the Trustee may authenticate and deliver a new Bond of like Series, date, maturity and denomination as that Bond lost, stolen or destroyed, provided that there shall first be furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together with indemnity satisfactory to it. The Trustee, in conjunction with the relevant Registrar, if other than the Trustee, shall then cause proper record to be made of the cancellation of the original, and thereafter the substitute shall have the validity of the original.

Except as limited by any Supplemental Trust Agreement, the Trustee may charge the holder of any such Bond all governmental charges and transfer taxes, if any, and its reasonable fees and expenses in this connection. All substitute Bonds issued and authenticated pursuant to this Section shall be issued as a substitute and numbered, if numbering is provided for by the Supplemental Trust Agreement or the Trustee, as determined by the Trustee. If any such Bond has matured or been called for redemption, instead of issuing a substitute Bond, the Trustee may pay the same at its maturity or redemption without surrender thereof upon receipt of indemnity satisfactory to the Trustee.

Section 2.06. Registration and Transfer or Exchange of Bonds; Persons Treated as Owners. Unless otherwise provided by a Supplemental Trust Agreement, all Bonds shall be issued in fully registered form. Upon surrender for transfer of any Bond at the principal corporate trust office of the Registrar for such Bond, the Trustee shall authenticate and the Registrar for such Bond shall deliver in the name of the transferee or transferees a new fully authenticated and registered Bond or Bonds of authorized denominations of the same Series and same maturity for the same aggregate principal amount. Bondholders may present Bonds at the principal corporate trust office of the applicable Registrar for exchange for Bonds of different authorized denominations and, upon such presentation, the Trustee shall authenticate and the Registrar shall deliver to the Bondholder a new fully authenticated and registered Bond or Bonds of the same Series and same maturity for the same aggregate principal amount. All Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Trustee and the applicable Registrar, duly executed by the Bondholder or by his duly authorized attorney. Except as limited by any Supplemental Trust Agreement, the Trustee and the applicable Registrar also may require payment from the Bondholder of a sum sufficient to cover any tax, or other governmental fee or charge that may be imposed in relation thereto. Such taxes, fees and charges shall be paid before any such new Bond shall be delivered. Supplemental Trust Agreements may designate certain limited periods during which Bonds may not be exchanged or transferred.

Bonds delivered upon any exchange or transfer as provided herein, or as provided in Section 2.05 hereof, shall be valid limited obligations of the City, evidencing the same debt as the Bond or Bonds surrendered, shall be secured by this Master Trust Agreement and shall be entitled to all of the security and benefits hereof to the same extent as the Bond or Bonds surrendered. The City, the Trustee, any Registrar and any Paying Agent shall treat the Bondholder of a Bond, as shown on the registration books kept by the applicable Registrar, as the person exclusively entitled to payment of principal, premium, if any, and interest on such Bond and as the party entitled to the exercise of all other rights and powers of the Bondholder, except that all interest payments will be made to the party who, as of the record date of such Bond (as established in the applicable Supplemental Trust Agreement), is the Bondholder.

Section 2.07. Temporary Bonds; Destruction of Bonds and Temporary Bonds. Pending preparation of definitive Bonds of any Series, the City may execute and the Trustee shall

authenticate and deliver, in lieu of definitive Bonds and subject to the same limitations and conditions, temporary bonds or certificates which shall be exchanged for the Bonds. If temporary Bonds shall be issued, the City shall cause the definitive Bonds to be prepared and to be executed, authenticated and delivered to the Trustee, and the Trustee, upon presentation to it of any temporary bond, shall cancel the same and deliver in exchange therefor at the place designated by the Bondholder, without charge to the Bondholder thereof, definitive Bonds of an equal aggregate principal amount of authorized denominations, of the same Series, date, maturity and bearing interest the same as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefit and security of this Master Trust Agreement as the definitive Bonds to be issued and authenticated hereunder. Whenever any Bonds or temporary bonds shall be delivered to the Trustee, a Paying Agent or a Registrar for cancellation pursuant to this Master Trust Agreement, upon payment of the principal amount and interest represented thereby or for replacement or exchange or transfer pursuant to Sections 2.05, 2.06 or Section 2.07 of this Master Trust Agreement, such Bond shall be cancelled and destroyed by the Trustee, such Paying Agent or such Registrar, as applicable, and counterparts of a certificate of destruction evidencing such destruction shall be furnished by the Trustee, such Paying Agent or such Registrar, as applicable, to the City.

Section 2.08. Issuance of Series of Bonds; Supplemental Trust Agreement; Application of Bond Proceeds. The City previously issued the Existing Bonds pursuant to the Original Master Trust Agreement as supplemented by the Existing Supplemental Trust Agreements and pursuant to and in accordance with the procedures set forth in the City Charter and the Procedural Ordinance, and such Existing Bonds are outstanding as of the date hereof.

Additional Bonds of any Series (including Refunding Bonds) payable from and secured by a pledge of and lien on, and security interest in, Revenues and moneys on deposit in the Solid Waste Resources Revenue Fund as provided in the Granting Clause and Section 4.01 of this Master Trust Agreement, on a parity with Outstanding Bonds may be issued, from time to time under this Master Trust Agreement. Such Additional Bonds shall be issued pursuant to and in accordance with the procedures set forth in the City Charter and the Procedural Ordinance, provided that prior to or simultaneously with the original delivery of each Series of Bonds there shall be filed with the Trustee the following:

- (i) an original executed counterpart or a copy of this Master Trust Agreement, together with all prior Supplemental Trust Agreements;
- (ii) an original executed counterpart or a copy of the Supplemental Trust Agreement or Supplemental Trust Agreements providing for the issuance of such Series of Bonds and setting forth the terms of such Series of Bonds;
- (iii) if credit enhancement or liquidity support is to be provided at the time of issuance of the Series, the executed bond insurance policy, surety bond, letter of credit or other liquidity facility or credit support facility, if any, relating to the Series of Bonds shall be delivered to the City or an appropriate fiduciary;
- (iv) the certificate of the Consultant required by Section 2.09 of this Master Trust Agreement;
- (v) a certificate of the Authorized City Representative stating that none of the Events of Default set forth in Section 7.01 of this Master Trust Agreement have occurred and remain uncured;

(vi) an opinion of Bond Counsel to the effect that the issuance of such Bonds has been duly authorized and that the Bonds are valid and binding obligations of the City; and

(vii) written instructions from the City to authenticate the Bonds and, upon receipt of the purchase price, to deliver the Bonds to or upon the order of the purchasers named in such instructions.

In addition, the Supplemental Trust Agreement providing for the issuance of Bonds of any Series issued on or after the date of this Master Trust Agreement shall provide for the following:

(1) a deposit to the Reserve Fund in an amount necessary such that the amount deposited therein shall equal the Reserve Requirement following issuance of such Bonds; or

(2) a statement to the effect that such Bonds shall have no interest in or claim to the Reserve Fund.

When the documents mentioned in clauses (i) to (vii), inclusive, of the first paragraph of this section shall have been filed with the Trustee and when such Bonds shall have been executed and authenticated, the Trustee or authenticating agent shall deliver such Bonds to or upon the order of the purchasers thereof, but only upon payment by the purchasers of the purchase price of such Bonds.

Section 2.09. Test for Issuance of Additional Bonds. The City may at any time issue Additional Bonds in accordance herewith; provided:

(1) The Revenues for the immediately preceding Fiscal Year or for any 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of the proposed Series of Additional Bonds, as evidenced by a certificate prepared by the Consultant on file with the Trustee, shall have produced a sum equal to at least one hundred twenty-five percent (125%) of the Debt Service for such period; and

(2) The Revenues for the immediately preceding Fiscal Year or for any 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of the proposed Series of Additional Bonds, less any Revenue Decreases, and plus (at the option of the City) any Additional Revenues, all as evidenced by a certificate prepared by the Consultant on file with the Trustee, shall have produced a sum equal to at least one hundred twenty-five percent (125%) of the Debt Service for such period for all Bonds which will be Outstanding immediately after the issuance of the proposed Series of Additional Bonds and which would have accrued had such proposed Additional Bonds been issued at the beginning of such period; and

(3) The estimated Revenues for the first full Fiscal Year after the issuance of the proposed Series of Additional Bonds, less any Revenue Decreases, plus (at the option of the City) any Additional Revenues, all as evidenced by a certificate prepared by the Consultant on file with the Trustee, shall produce a sum equal to at least one hundred twenty-five percent (125%) of the Maximum Annual Debt Service for all Bonds which will be Outstanding immediately after the issuance of the proposed Series of Bonds.

For purposes of preparing the certificate or certificates described above, the Consultant may (a) rely upon financial statements prepared by the City that have not been subject to audit by an Independent certified public accountant if audited financial statements for the Fiscal Year or period are not available and (b) make such other assumptions as determined reasonable or appropriate by such Consultant.

The tests set forth in this Section 2.09 shall not be required for the issuance of Refunding Bonds (other than Refunding Bonds issued to refund or defease Subordinated Obligations) if the City shall instead deliver to the Trustee a certificate prepared by the Consultant showing that Maximum Annual Debt Service on all Outstanding Bonds payable from the Revenues after the issuance of said Series of Refunding Bonds will not exceed the Maximum Annual Debt Service on all Outstanding Bonds payable from the Revenues prior to the issuance of said Series of Refunding Bonds.

Section 2.10 [Reserved].

### **ARTICLE III**

#### **REDEMPTION OF BONDS**

Section 3.01. Bonds Redeemable. The Bonds of each Series issued under the provisions of Article II may be made subject to redemption either in whole or in part and at such times, prices and in such order and under such terms as may be provided by the Supplemental Trust Agreement providing for the issuance of such Series of Bonds. The City may provide for the redemption of Bonds from any funds available to the City and not obligated for other purposes.

Section 3.02. Selection of Bonds To Be Redeemed. If less than all the Bonds of a Series shall be called for redemption, the Bonds to be redeemed shall be selected from such Series of Bonds as the City shall determine, and, within a Series of Bonds, if less than all of the Bonds of that Series are to be redeemed, Bonds shall be selected as provided in the Supplemental Trust Agreement under which such Series of Bonds were issued.

Section 3.03. Notice of Redemption. In the event any of the Bonds of a Series are called for redemption, the Trustee shall give notice, at the times and in the manner specified by the Supplemental Trust Agreement, in the name of the City, to the Owners of such Series of Bonds, of the redemption of such Series of Bonds, which notice shall (i) specify the Series of Bonds to be redeemed, the redemption date, the redemption price and the place or places where amounts due upon such redemption will be payable and, if less than all of such Series of Bonds are to be redeemed, the numbers of such Series of Bonds, and the portions of such Series of Bonds, to be redeemed, (ii) state any condition to such redemption and (iii) state that on the redemption date, and upon the satisfaction of any such condition, such Series of Bonds to be redeemed shall cease to bear interest. Such notice may set forth any additional information relating to such redemption. Notice may provide for purchase in lieu of redemption or conditional redemption as provided by a Supplemental Trust Agreement. Notwithstanding the foregoing, Supplemental Trust Agreements may provide for redemption of Bonds of a Series, under certain circumstances, without notice.



Section 3.04. Effect of Redemption Call.

(a) On the date so designated for redemption, notice having been given in the manner and under the conditions provided herein and in the Supplemental Trust Agreement relating to such Bonds of any Series as are to be redeemed and moneys for payment of the redemption price being held in trust to pay the redemption price, unless otherwise provided in a Supplemental Trust Agreement, the Bonds of such Series so called for redemption shall become and be due and payable on the redemption date, interest on the Bonds of such Series shall cease to accrue, the Bonds of such Series shall cease to be entitled to any lien, benefit or security under this Master Trust Agreement and the Owners of the Bonds of such Series shall have no rights in respect thereof except to receive payment of the redemption price.

(b) Bonds of any Series which have been duly called for redemption under the provisions of this Article III and for the payment of the redemption price of which moneys shall be held in trust for the holders of the Bonds to be redeemed, all as provided in this Master Trust Agreement, shall not be deemed to be Outstanding under the provisions of this Master Trust Agreement.

Section 3.05. Purchase in Lieu of Redemption. In lieu of redemption of any Bonds of any Series which are payable before their specified maturity dates from mandatory sinking account payments established for that purpose and calculated to retire the Bonds of such Series on or before their specified maturity dates, amounts on deposit in the Principal Account of the Debt Service Fund may also be used and withdrawn by the Trustee at any time, upon the written request of the City signed by an Authorized City Representative, for the purchase of the Bonds of such Series at public or private sale as and when at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account of the Debt Service Fund) as the City may in its discretion determine; provided, however, that no Bonds of any Series shall be purchased by the Trustee under this subsection with the settlement date more than 90 days prior to the redemption date. The principal amount of any Bonds so purchased by the Trustee in any twelve-month period ending 60 days prior to any payment date in any year shall be credited towards and shall reduce the principal amount of such Bonds required to be redeemed on such payment date in such year.

## ARTICLE IV

### REVENUES AND FUNDS

Section 4.01. Bonds Secured by Pledge of and Lien on Revenues. Except as provided in Section 5.07 hereof, all Revenues and all amounts on deposit in the Solid Waste Resources Revenue Fund are hereby irrevocably pledged to the payment of the Bonds as provided herein, and the Revenues shall not be used during any month of any Fiscal Year for any other purpose if any of the transfers required by Section 4.04 of this Master Trust Agreement are delinquent; provided, however, that, subsequent to the transfers required by Section 4.04(a) through 4.04(d) of this Master Trust Agreement for each month, there may be apportioned such sums for such purposes as may be permitted to be paid from the Solid Waste Resources Revenue Fund out of the Revenues and other amounts on deposit in the Solid Waste Resources Revenue Fund constituting surplus for such month as set forth in Section 4.04(e) of this Master Trust Agreement. This pledge shall constitute a first and exclusive lien on, and security interest in all right, title and interest of the City in and to Revenues and, subject to application of amounts on deposit therein

as permitted herein, the Solid Waste Resources Revenue Fund and the other funds and accounts created hereunder for the payment of the Bonds in accordance with the terms hereof.

The City has not previously created any charge or lien on or any security interest in the Revenues that is senior to the lien on Revenues or the Solid Waste Resources Revenue Fund that is granted by this Master Trust Agreement. The City covenants that, until all the Bonds authorized and issued under the provisions of this Master Trust Agreement and the interest thereon shall have been paid or are deemed to have been paid, it will not, except as specifically provided in this Master Trust Agreement, grant any parity pledge of or any security interest in the Revenues, the Solid Waste Resources Revenue Fund or any of the other security which is pledged pursuant to the Granting Clause of this Master Trust Agreement, or create or permit to be created any charge or lien thereon or any security interest therein ranking prior to or on a parity with the charge or lien of the Bonds from time to time Outstanding under this Master Trust Agreement. In order to carry out and effectuate the pledge and lien contained herein, the City agrees and covenants that all Revenues shall be received by the City in trust hereunder and shall be deposited when and as received in the Solid Waste Resources Revenue Fund which fund the City agrees and covenants to maintain and to hold separate and apart from other funds so long as any Bonds remain unpaid.

Section 4.02. Provisions of Trust Agreement Subject to Charter Provisions and City Administrative Code. The City covenants to cause the appropriations and transfers of Revenues required by this Master Trust Agreement to be made only in accordance with Section 5.121.5 of Article of the Administrative Code and this Master Trust Agreement. The City further covenants not to amend or revise such provisions in a manner that would have a material adverse effect on the Bonds while any Bonds are Outstanding.

Section 4.03. Establishment of Funds and Accounts. The City hereby establishes or authorizes the establishment of the following special trust funds and accounts:

(a) Acquisition Funds. Proceeds of each Series of Bonds which are to be used to pay Costs of a Project shall be deposited into a fund created for such Series of Bonds at the time of issuance of such Series which shall be designated the "Solid Waste Resources Revenue Bonds Acquisition Fund, Series \_\_\_" (each, respectively, an "Acquisition Fund") which shall be held, maintained, disbursed and accounted for in accordance with the provisions of the Charter of the City, Section 4.08 hereof and, to the extent consistent therewith, the applicable Supplemental Trust Agreement.

(b) Debt Service Fund. There is hereby created and established under the terms of this Master Trust Agreement a fund to be designated the "Solid Waste Resources Revenue Bonds Debt Service Fund (the "Debt Service Fund"). There are hereby created in the Debt Service Fund three separate accounts designated "Interest Account", "Principal Account" and "Redemption Account". There is hereby created in the Interest Account a subaccount for each Series of Bonds. There is hereby created in the Principal Account a subaccount for each Series of Bonds. There is hereby created in the Redemption Account a subaccount for each Series of Bonds. The Debt Service Fund and the accounts and subaccounts therein shall be held, maintained, disbursed and accounted for by the Trustee in accordance with the provisions of this Master Trust Agreement including the provisions of Sections 4.04 and 4.05 hereof.

(c) Reserve Fund. There is hereby created and established under the terms of this Master Trust Agreement a fund to be designated the "Solid Waste Resources Reserve Fund" (the "Reserve Fund"), which shall be held as a separate and distinct fund for the pro rata benefit

of all Outstanding Covered Bonds as measured by outstanding principal amount. An amount equal to the Reserve Requirement in the form of either cash or a Reserve Fund Surety Policy shall be maintained in the Reserve Fund at all times.

The City may, at the time of the issuance of each Series of Covered Bonds, authorize the creation of a separate bond reserve account within the Reserve Fund for such Series of Bonds, provided that any separate account established within the Reserve Fund is for accounting purposes only and does not affect the pledge of the Reserve Fund in the Granting Clause of this Master Trust Agreement for the benefit of the Owners of the Covered Bonds. The Reserve Fund shall be held by the Trustee or any agent of the Trustee, and amounts therein shall be deposited, maintained, disbursed and accounted for in accordance with the provisions of Section 4.07 hereof.

(d) Additional Funds, Accounts and Subaccounts. The City may, in its discretion, create or authorize the creation of additional funds, accounts or subaccounts for a particular Series of Bonds pursuant to the terms of a Supplemental Trust Agreement, which funds or accounts may be held by it or the Trustee. The Trustee may create such other temporary accounts or subaccounts not inconsistent with the provisions of this Master Trust Agreement which the Trustee finds to be convenient in the performance of its duties hereunder.

Section 4.04. Receipt and Deposit of Revenues; Withdrawals. All Revenues, and any other amounts deposited in the Solid Waste Resources Revenue Fund, shall be retained by the City in the Solid Waste Resources Revenue Fund except that amounts on deposit therein shall be transferred from the Solid Waste Resources Revenue Fund for the following purposes at the following times in the following order of priority, each item to be fully satisfied before the item next in priority, and all moneys in such fund shall be held in trust and shall be applied, used and withdrawn only for the purposes hereinafter authorized in this Section. As provided in Section 4.04(e) hereof, under no circumstances shall the City use moneys on deposit in the Solid Waste Resources Revenue Fund with respect to any month to pay operations and maintenance expenses of the City's refuse collection and disposal system or any other purpose until all of the deposits described in clauses (a) through (d) of this Section 4.04 have been made by the City for such month.

(a) [Reserved].

(b) Debt Service Fund. On or before [May 31, 2023], the City shall transfer to the Trustee the amount of \$\_\_\_\_\_ <sup>1</sup> for deposit in the Debt Service Fund (representing a portion of the Debt Service with respect to the August 1, 2023 interest payment date and the February 1, 2024 principal payment date). Each month, commencing [month immediately after closing] 2023, the City shall transfer to the Trustee for deposit in the Debt Service Fund an amount equal to a portion of the Debt Service on each Series of Bonds, which portion shall be calculated as follows:

(1) an amount equal to the interest payable on each Series of Bonds on the next payment date for such Series of Bonds (less any amount received as accrued interest from the proceeds of any such Bonds which is on deposit in the Debt Service Fund or any account or subaccount therein established pursuant to a Supplemental Trust Agreement and is available for such interest payment) divided by the number of months intervening

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<sup>1</sup> NTD: Assuming closing in June 2023, amount to represent five-sixths of the interest payable on the Existing Bonds (other than the Series 2023-A Bonds) on August 1, 2023 and five-twelfths of the principal payable on the Existing Bonds (other than the Series 2023-A Bonds) on February 1, 2024.

between the first day of the month in which the first transfer to the Debt Service Fund with respect to the next such payment date is made and the next such payment date, plus

(2) an amount equal to the principal of each Series of Bonds payable on the next principal payment date for such Series of Bonds divided by the number of months intervening between the first day of the month in which the first transfer to the Debt Service Fund with respect to the next such principal payment date is made and the next such principal payment date, and

(3) if the amount transferred by the City to the Trustee for deposit into the Debt Service Fund in the previous month with respect to the next interest payment date and the next principal payment date were less than the amount required to be deposited pursuant to this Section 4.04(b), then plus the difference between such amounts, and

(4) if the amount transferred by the City to the Trustee for deposit into the Debt Service Fund in the previous month with respect to the next interest payment date and the next principal payment date were greater than the amount required to be deposited pursuant to this Section 4.04(b), then less the difference between such amounts.

No deposit need be made in the Debt Service Fund for any Series of Bonds pursuant to this Section 4.04(b) with respect to any month if the amount then on deposit in the Debt Service Fund is at least equal to the portion of the Debt Service on each Series of Bonds that would be on deposit in the Debt Service Fund if all deposits required to be made with respect to the next interest payment date and the next principal payment date pursuant to this Section 4.04(b) had so been made.

All money in the Debt Service Fund shall be used and withdrawn by the Trustee in accordance with Section 4.05 of this Master Trust Agreement.

(c) Reserve Fund. Each month, commencing in the month following the withdrawal of any moneys from the Reserve Fund in accordance with Section 4.07 of this Master Trust Agreement, and continuing for eleven additional months thereafter, and prior to application of amounts on deposit in the Solid Waste Resources Revenue Fund pursuant to clauses (d) and (e) below, without preference or priority, the City shall transfer to the Trustee for deposit in the Reserve Fund, one-twelfth of the amount of the withdrawal plus, to the extent that Revenues in any prior month were insufficient to satisfy one-twelfth of the amount of the withdrawal, the amount of such deficiency that then remains unsatisfied. Notwithstanding the foregoing, the City may provide for the Reserve Fund by a Credit Facility as set forth in Section 4.07(b) of this Master Trust Agreement.

(d) Subordinated Obligations Debt Service. Each month, provided no further deposits are required to be made pursuant to clauses (a) through (c) above for such month, including deposits to any of such funds to the extent that Revenues in any prior month have been insufficient to satisfy the deposit requirements provided above, and provided further, that the amount on deposit in the Reserve Fund is equal to the Reserve Requirement, the City shall transfer to the applicable fiduciary for deposit in the applicable payment fund, debt service payments with respect to any Subordinated Obligations, as directed by an Authorized City Representative.

(e) Surplus. With respect to each month, after all of the deposits described in clauses (a) through (d) of this Section 4.04 have been made by the City for such month, moneys on deposit in the Solid Waste Resources Revenue Fund on and after such date through, and including, the

last day of such month, may be expended by the City to pay operations and maintenance expenses of the City's refuse collection and disposal system and for any other purpose permitted by law.

(f) [Reserved].

Section 4.05. Withdrawals From Debt Service Fund. Money set aside and placed in a Debt Service Fund for any Series of Bonds shall remain therein until from time to time expended for the aforesaid purposes thereof and shall not be used for any other purpose whatsoever, except that any such money so set aside and placed in a Debt Service Fund may be temporarily invested as provided in Section 4.10 hereof, but such investment shall not affect the obligation of the City to cause the full amount required by the terms of this Section to be available in a Debt Service Fund at the time required to meet payments of principal of and interest on Bonds of the Series for which it is accumulated.

On or before each interest payment date for any Outstanding Series of Bonds, the Trustee or, if applicable, the Paying Agent for such Bonds shall transfer from the Debt Service Fund to the Interest Account for such Series an amount which, together with amounts on deposit therein and available for such purpose, is sufficient to make the interest payment due on such bonds on such payment date. On or before each principal payment date for any Outstanding Series of Bonds, including any mandatory redemption date from sinking installment payments for term Bonds of a Series of Bonds, the Trustee or, if applicable, the Paying Agent for such Bonds shall transfer from the Debt Service Fund to the Principal Account for such Series an amount which, together with amounts on deposit therein and available for such purpose, is sufficient to make the principal payment due on such bonds on such payment date.

On or before each date on which Bonds of any Series shall become subject to optional or mandatory redemption (other than from sinking installment payments) in accordance with the provisions of any Supplemental Trust Agreement, the Trustee or such Paying Agent, as applicable, shall pay to the Owners of such Bonds from the Redemption Account, an amount of interest and principal, and premium, if any, on such Bonds to be mandatorily or optionally redeemed on said date. On the date that is specified in such notice and in accordance with the Supplemental Trust Agreement pursuant to which such Bonds are issued, the City shall have caused to be deposited in the Redemption Account for such Series, an amount which, together with amounts on deposit therein and available for such purpose, is sufficient to pay the redemption price of such Bonds (including unpaid interest accrued thereon) on such redemption date.

The Trustee shall pay the principal of, redemption premium, if any, and interest on each Series of Bonds on the payment dates therefor as established under the applicable Supplemental Trust Agreement with the proceeds transferred to it by the City in accordance with the foregoing provisions, whether or not the City submits to it any of the foregoing written demands. All money remaining in the Debt Service Fund on the final payment or maturity date for a Series of Bonds, in excess of the amount required to make provisions for the payment in full of principal of, redemption premium, if any, and interest payable on such Bonds or the payment of amounts required to be rebated, pursuant to the Code, to the United States of America with respect such Bonds, and any amounts then owed to the Trustee, shall be returned to the City and deposited by the City in the Solid Waste Resources Revenue Fund.

Payments made by the Trustee or a Paying Agent in this Section 4.05 shall be made solely to the extent that moneys are on deposit in the appropriate Debt Service Fund. The Trustee or the applicable Paying Agent shall, at least ten (10) Business Days prior to each payment date on

any Bonds, or as otherwise directed in any Supplemental Trust Agreement, give the Paying Agent and the City notice by telephone, promptly confirmed in writing, of the full amount required to be deposited with the Trustee or such Paying Agent to pay the amount required to be paid on such payment date in respect of such Bonds, in the event the amount then on deposit in the Debt Service Fund therefor is insufficient to pay the amounts due on such Bonds on such payment date and direct that the City transfer the amount of such deficiency to the Trustee on or prior to such payment date.

A Paying Agent which is other than the Trustee shall immediately notify the Trustee if, on any payment date, it does not have sufficient funds in any Debt Service Fund it holds to pay in full all amounts of principal and interest due on the related Series of Bonds on such date, and the Trustee shall transfer to such Paying Agent the amount of such deficiency to the extent available from any Debt Service Funds held by the Trustee or any other Paying Agents.

If, on any payment date, the Trustee and all Paying Agents other than the Trustee, if any, do not have sufficient amounts in the Debt Service Funds (without regard to any amounts which may be available in the Reserve Fund to pay in full with respect to Covered Bonds all amounts of principal and/or interest due on such date), the Trustee shall cause all the Paying Agents other than it, if any, to remit all amounts held by them in any Debt Service Fund to the Trustee and the Trustee shall allocate the total amount which is available to make payment on such date (without regard to any amounts in the Reserve Fund) as follows: first to the payment of past due interest on Bonds of any Series, in the order in which such interest came due, then to the payment of past due principal on Bonds of any Series, in the order in which such principal came due, then to the payment of interest then due and payable on the Bonds of each Series due on such payment date and, if the amount available shall not be sufficient to pay in full all interest on the Bonds then due, then *pro rata* among the Series according to the amount of interest then due and second to the payment of principal then due on the Bonds and, if the amount available shall not be sufficient to pay in full all principal on the Bonds then due, then *pro rata* among the Series according to the principal amount then due on the Bonds.

Notwithstanding the foregoing, the City may, by Supplemental Trust Agreement, provide for different provisions and timing of deposits with the Trustee or a Paying Agent and different methods of paying principal of or interest on Bonds of any Series depending upon the terms of such Series of Bonds and may provide for payment through a Credit Facility with reimbursement to the Credit Provider from the respective Debt Service Fund created for the Series of Bonds for which such Credit Facility is provided.

Section 4.06. [Reserved].

Section 4.07. Reserve Fund.

(a)(i) [Reserved].

(a)(ii) Moneys held in the Reserve Fund shall be used for the purpose of paying principal and interest as described below on Outstanding Covered Bonds. If, on any principal or interest payment date for any Series of Covered Bonds, the amounts in the Debt Service Fund for any such Series of Bonds available therefor are insufficient to pay in full the amount then due on such Series of Bonds, moneys held in the Reserve Fund shall be used and withdrawn by the Trustee for the payment of principal and interest thereon. If amounts in the Reserve Fund consist of both cash and one or more Reserve Fund Surety Policies, the Trustee shall make any required payments of amounts in the Reserve Fund first from any cash held invested therein, prior to

making a draw upon any of such Reserve Fund Surety Policies. Moneys held in the Reserve Fund may also be used to make any deposit required to be made to the Rebate Fund created for the Bonds at the written direction of the City if the City does not have other funds available from which such deposit can be made.

(iii) The Trustee shall semiannually on or about February 1 and August 1 of each year and at such other times as the City shall request, value the Reserve Fund on the basis of the cost value thereof. For purposes of determining the amount on deposit in the Reserve Fund, any Reserve Fund Surety Policy held by, or the benefit of which is available to, the Trustee shall be deemed to be a deposit in the face amount of the Reserve Fund Surety Policy or the stated amount of the Reserve Fund Surety Policy provided, except that, if the amount available under a Reserve Fund Surety Policy has been reduced as a result of a payment having been made thereunder or as a result of the termination, cancellation or failure of such Reserve Fund Surety Policy and not reinstated or another Reserve Fund Surety Policy provided, then, in valuing the Reserve Fund, the value of such Reserve Fund Surety Policy shall be reduced accordingly. Upon each such valuation, the Trustee shall prepare a written certificate setting forth the Reserve Requirement as of such valuation date and the value of the Reserve Fund and deliver a copy thereof to an Authorized City Representative, upon any valuation of the Reserve Fund at cost value, the value of the Reserve Fund exceeds the aggregate Reserve Requirement for all Bonds then Outstanding, the amount in excess of the Reserve Requirement may, at the option of the City, be withdrawn and paid to the City to be used for any lawful purpose, unless an Event of Default exists under this Master Trust Agreement, in which event the excess amount shall be retained in such fund; provided that, if such amounts are used for a purpose other than payment of the related Series of Bonds, there shall be delivered to the Trustee with the request for such funds an opinion of Bond Counsel that the purpose for which such funds are to be used is a lawful purpose for which such proceeds may be used under the Charter and that such use shall not result in the inclusion of interest on any Series of Covered Bonds issued as tax-exempt Bonds in gross income of the recipient thereof for federal income tax purposes. If, upon any valuation of the Reserve Fund at cost value, the value is less than the relevant Reserve Requirement, the City shall replenish such amounts within twelve (12) months after the date of such valuation, in accordance with subparagraph (c) below.

(b) A Reserve Fund Surety Policy shall be acceptable in lieu of a deposit of cash or securities into the Reserve Fund, or may be substituted for amounts on deposit in the Reserve Fund, only if at the time of such deposit (i) such Reserve Fund Surety Policy extends to the final maturity of the Covered Bonds, or the City has agreed, by Supplemental Trust Agreement, that it will replace such Reserve Fund Surety Policy prior to its expiration with another Reserve Fund Surety Policy which shall have no adverse effect on the ratings, if any, then in effect on the Covered Bonds, or with cash and (ii) the face amount of the Reserve Fund Surety Policy, together with amounts on deposit in the Reserve Fund, including the face amount of any other Reserve Fund Surety Policy benefitting such fund, is at least equal to the Reserve Requirement.

(c) If moneys have been withdrawn from the Reserve Fund or any account thereof or a payment has been made under a Reserve Fund Surety Policy constituting all or a portion of the Reserve Fund, and deposited into the Debt Service Fund to prevent a default on the Covered Bonds, then the City will pay to the Trustee but only as provided in Section 4.04 of this Master Trust Agreement, the full amount so withdrawn, together with interest, if any, required under the terms of the Reserve Fund Surety Policy, or so much as shall be required to restore the Reserve Fund to the Reserve Requirement and to pay such interest, if any. Such repayment shall be made in no more than twelve (12) substantially equal monthly installments each due on the first Business Day of the month commencing with the first month after such withdrawal occurs. If such

repayment is with respect to a draw under a Reserve Fund Surety Policy, the Trustee shall pay to the provider of such Reserve Fund Surety Policy the amount received by the Trustee from the City which is designated to be used to reimburse the provider of such Reserve Fund Surety Policy. The Trustee shall immediately notify the paying agent for the Reserve Fund Surety Policy, if any, of such reimbursement.

(d) Moneys in the Reserve Fund shall be invested and reinvested by the Trustee at the written direction of an Authorized City Representative in Permitted Investments. Investments in the Reserve Fund shall not have maturities which extend beyond five years from the date of the investment unless the investment is subject to redemption at par. No investment in the Reserve Fund may have a maturity in excess of the final maturity dates of the Covered Bonds.

(e) All money remaining in the Reserve Fund on the final payment date of a Series of Covered Bonds, in excess of the amount required to make provisions for the payment in full of the interest and/or the principal of all such Bonds shall be transferred to the City for deposit in the Solid Waste Resources Revenue Fund.

Section 4.08. Acquisition Funds. Each Acquisition Fund established to pay the Costs of a Project shall be held by the City or the Trustee. All moneys in each Acquisition Fund shall be held and disbursed as provided in the Supplemental Trust Agreement or Supplemental Trust Agreements under which such fund is created, and, absent such directions, shall be held and disbursed as determined by the City. Notwithstanding this provision, no Acquisition Fund shall be required for a given Series of Bonds if such Bonds are Refunding Bonds or if the City otherwise determines that there is no need to create an Acquisition Fund for such Series.

Section 4.09 Moneys Held in Trust for Matured Bonds; Unclaimed Moneys. All moneys which shall have been withdrawn from a Debt Service Fund and set aside or deposited with a Paying Agent for the purpose of paying any of the Bonds, either at the maturity thereof or upon call for redemption, or which are set aside by the Trustee for such purposes and for which Bonds the maturity date or redemption date shall have occurred, shall be held in trust for the respective holders of such Bonds. But any moneys which shall be so set aside or deposited and which shall remain unclaimed by the holders of such Bonds for a period of one (1) year after the date on which such Bonds shall have become due and payable (or such longer period as may be required by State law) shall be paid to the City, and thereafter the holders of such Bonds shall look only to the City for payment and the City shall be obligated to make such payment, but only to the extent of the amounts so received without any interest thereon, and neither the Trustee nor any Paying Agent shall have any responsibility with respect to any of such moneys.

Section 4.10. Investments. Moneys held by the Trustee or any Paying Agent in the Reserve Fund (subject to Section 4.07(d) of this Master Trust Agreement), a Debt Service Fund, an Acquisition Fund or any other fund or account established and held by the Trustee or any Paying Agent pursuant to this Master Trust Agreement or any Supplemental Trust Agreement shall be invested and reinvested as directed by the City in Permitted Investments, subject (except in the case of the Reserve Fund) to any additional restrictions set forth in the Supplemental Trust Agreement creating such fund or account. The City shall direct such investments by written certificate (upon which the Trustee or a Paying Agent may conclusively rely) of an Authorized City Representative or by telephone instruction followed by prompt written confirmation by an Authorized City Representative in either case at least two (2) Business Days before the investment date; in the absence of any such instructions, the Trustee or a Paying Agent shall, to the extent practicable, invest in the Permitted Investments described in paragraph (7) of the definition thereof. Investments shall mature not later than such times as shall be necessary to



provide moneys when needed for payments to be made from such funds and accounts. The Trustee or a Paying Agent, as applicable, shall sell and reduce to cash a sufficient amount of any such investments whenever the cash balance in any such funds is insufficient to pay the amounts due therefrom. The Trustee shall not be liable for any loss resulting from its compliance with the written directions of the City or as a result of liquidating investments to provide funds for any required payment, transfer, withdrawal or disbursement from any fund or account in which such investments are held. The Trustee or any Paying Agent may buy or sell any Permitted Investment through its own (or any of its affiliates') investment department. Permitted Investments that are registered securities shall be registered in the name of the Trustee.

The Trustee is hereby authorized, in making or disposing of any investment permitted by this Section, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person or dealing as principal for its own account.

Except as otherwise provided in the next sentence, all investments of amounts deposited in any fund or account created by or pursuant to this Master Trust Agreement, or otherwise containing gross proceeds of any Series of Bonds the interest on which is intended to be exempt from federal income tax (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Master Trust Agreement or the Code) at Fair Market Value. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under the applicable provisions of the Code and (unless valuation is undertaken at least annually) investments in the subaccounts within the Reserve Fund shall be valued at their present value (within the meaning of section 148 of the Code). The Trustee shall not be liable for verification of the application of such sections of the Code or for any determination of Fair Market Value or present value and may conclusively rely upon a certificate of an Authorized City Representative as to such valuations.

Earnings on the Solid Waste Resources Revenue Fund shall be credited to and deposited in the Solid Waste Resources Revenue Fund. Earnings on an Acquisition Fund when received shall be credited to and deposited in such Acquisition Fund. Earnings on the Debt Service Fund and the respective accounts therein when received shall be credited to and deposited in the Debt Service Fund and accounts. Earnings on the Reserve Fund and the respective accounts therein when received shall be credited to and deposited in the Reserve Fund and such accounts..

## **ARTICLE V**

### **COVENANTS OF THE CITY**

Section 5.01. Payment of Principal and Interest. The City covenants and agrees that it will duly and punctually pay or cause to be paid from Revenues and to the extent thereof the principal of, premium, if any, and interest on every Bond at the place and on the dates and in the manner herein, in the applicable Supplemental Trust Agreements and in the Bonds specified, according to the true intent and meaning thereof, and that it will faithfully do and perform all covenants and agreements herein and in the Bonds contained; provided, however, that the City's obligation to make payment of the principal of, premium, if any, and interest on the Bonds shall be strictly limited to payment from Revenues, the funds and accounts pledged therefor in the Granting Clause of this Master Trust Agreement and any other source which the City may specifically provide for such purpose, and no Bondholder shall have any right to enforce payment

from any other funds of the City. Neither the full faith and credit nor the taxing power of the City is pledged to or will be available to pay the Bonds.

Section 5.02. Performance of Covenants by the City; Authority; Due Execution. The City covenants that it will faithfully perform at all times any and all covenants and agreements contained in this Master Trust Agreement, in any and every Outstanding Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining hereto. The City represents that it is duly authorized under the Constitution and laws of the State and the Charter to issue the Bonds and pledge and grant a security interest in Revenues and other security pledged thereto or in which a security interest is granted.

Section 5.03. Against Encumbrances. The City will not make any pledge of or place any lien on Revenues or the moneys in the Solid Waste Resources Revenue Fund except with respect to the Existing Bonds, any Additional Bonds issued by the City in accordance with Section 2.08 of this Master Trust Agreement, and as provided in this Section 5.03. This provision shall not be deemed to restrict the City's ability to incur obligations for ordinary and reasonable operation and maintenance expenses payable from the Solid Waste Resources Revenue Fund as permitted by Section 4.04(e). In addition to the issuance of any Additional Bonds as provided in Section 2.08 of this Master Trust Agreement, the City may at any time, or from time to time, issue evidences of indebtedness or incur other obligations for any lawful purpose which are payable from and secured by a pledge of and lien on Revenues or any moneys in the Solid Waste Resources Revenue Fund as may from time to time be deposited therein, provided that such pledge and lien shall be subordinate in all respects to the pledge of and lien thereon provided herein.

Section 5.04. Subordinated Obligations. The City may, from time to time, incur Subordinated Obligations at such times and upon such terms as the City shall determine. In connection with such indebtedness, the City covenants that:

- (1) The trust agreement or other documents pursuant to which any Subordinated Obligations are incurred shall specifically state that the lien on or security interest granted thereby in the Revenues is junior and subordinate to the lien on and security interest in such Revenues and other assets granted to secure the Bonds; and
- (2) Payment of principal of, premium, if any, and interest on such Subordinated Obligations shall not be made unless all deposits required to be made to the Trustee or a Paying Agent to be used to pay Debt Service on the Bonds or to replenish the Reserve Fund are then current in accordance with Section 4.04 of this Master Trust Agreement.

Section 5.05. Solid Waste Collection, Transfer, Recycling, Recovery of Waste Resources and Disposal Fee. If at any time during a Fiscal Year the City shall determine that the Solid Waste Collection, Transfer, Recycling, Recovery of Waste Resources and Disposal Fee is not being maintained at a level sufficient to provide for payment of all Debt Service within the Fiscal Year, together with any amount required to replenish the Reserve Fund and to pay all fees, costs and expenses required to be paid under this Master Trust Agreement, the City shall take action at that time to maintain the Solid Waste Collection, Transfer, Recycling, Recovery of Waste Resources and Disposal Fee at a level sufficient to provide for payment of all Debt Service within the Fiscal Year, together with any amount required to replenish the Reserve Fund and to pay all fees, costs and expenses required to be paid under this Master Trust Agreement; provided, however, that to the extent the City designates other legally available funds for such payment, it need not increase the Solid Waste Collection, Transfer, Recycling, Recovery of Waste Resources and Disposal Fee.

Section 5.06. Collection of Solid Waste Collection, Transfer, Recycling, Recovery of Waste Resources and Disposal Fee. The City will not take any action which would materially adversely affect its ability to collect the Solid Waste Collection, Transfer, Recycling, Recovery of Waste Resources and Disposal Fee in accordance with the procedures set forth in Sections 66.43 and 66.45 of the Municipal Code.

Section 5.07. [Reserved].

Section 5.08. No Inconsistent Contract Provisions. The City covenants that it will not take any action which, in the City's judgment at the time of such action, will substantially impair or materially adversely affect Revenues, or will substantially impair or materially adversely affect in any manner the pledge of, lien on or security interest granted in Revenues herein or the rights of the holders of the Bonds. The City shall be unconditionally and irrevocably obligated, so long as any of the Bonds are Outstanding and unpaid, to take all lawful action necessary or required to pay from Revenues the principal of and interest on the Bonds and to make the other payments provided for herein.

Section 5.09. Maintenance of Powers. The City covenants that it will at all times use its best efforts to maintain the powers, functions, duties and obligations now reposed in it pursuant to the Charter and all other laws applicable to it.

Section 5.10. Accounts. The City covenants that it will keep and provide accurate books and records of account showing all Revenues received and all expenditures of the City and that it will keep or cause to be kept accurate books and records of account showing all moneys, Revenues, accounts and funds (including the Solid Waste Resources Revenue Fund, and all other accounts provided for in or pursuant to this Master Trust Agreement) and that all such books and records shall be open upon reasonable notice during business hours to the Trustee and to the Owners of not less than ten percent (10%) of the principal amount of Bonds then Outstanding, or their representatives duly authorized in writing. So long as any of the Bonds remain Outstanding, the City will prepare and, upon request by the Trustee in writing, file with the Trustee audited financial statements including a statement of the income and expenses for such Fiscal Year and a balance sheet prepared as of the close of such Fiscal Year for the City all accompanied by a certificate or opinion in writing of an Independent certified public accountant of recognized standing, selected by the City, which opinion shall include a statement that said financial statements present fairly in all material respects the financial position of the City and are prepared in accordance with generally accepted accounting principles; provided, however, the Trustee shall hold such financial statements solely as an accommodation to the holders of the Bonds and shall have no duty or obligation to review such financial statements.

Section 5.11. Instruments of Further Assurance. The City covenants that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such Supplemental Trust Agreements, and such further acts, instruments and transfers as the Trustee may reasonably request for the better assuring and confirming to the Trustee all and singular the rights and obligations of the City under and pursuant to this Master Trust Agreement and the security intended to be conferred hereby to secure the Bonds.

Section 5.12. Master Trust Agreement To Constitute a Contract. This Master Trust Agreement is executed by the City for the benefit of the Bondholders and constitutes a contract with the Trustee for the benefit of the Bondholders.

**ARTICLE VI**  
**DEFEASANCE**

Bonds of any Series or portions thereof (such portions to be in integral multiples of an authorized denomination) which have been paid in full or which are deemed to have been paid in full shall no longer be secured by or entitled to the benefits of this Master Trust Agreement, except for the purposes of payment from moneys or Government Obligations held by the Trustee or a Paying Agent for such purpose. When all Bonds which have been issued under this Master Trust Agreement have been paid in full or are deemed to have been paid in full, and all other sums payable hereunder by the City, including all necessary and proper fees, compensation and expenses of the Trustee, each Registrar and each Paying Agent, have been paid or are duly provided for, then the right, title and interest of the Trustee in and to the Revenues and the other assets pledged to secure such Bonds hereunder shall thereupon cease, terminate and become void, and thereupon the Trustee shall cancel, discharge and release this Master Trust Agreement, shall execute, acknowledge and deliver to the City such instruments as shall be requisite to evidence such cancellation, discharge and release and shall assign and deliver to the City any property and revenues at the time subject to this Master Trust Agreement which may then be in the Trustee's possession, except funds or securities in which such funds are invested and are held by the Trustee or a Paying Agent for the payment of the principal of, premium, if any, and interest on the Bonds.

A Bond shall be deemed to be paid within the meaning of this Article VI and for all purposes of this Master Trust Agreement when payment of the principal, interest and premium, if any, either (a) shall have been made or caused to be made in accordance with the terms of such Bonds and this Master Trust Agreement or (b) shall have been provided for by irrevocably depositing with the Trustee or an escrow agent, in trust, and setting aside exclusively for such payment, (i) moneys sufficient to make such payments and/or (ii) noncallable Government Obligations, maturing as to principal and interest in such amounts and at such times as in the opinion of an Independent certified public accountant will insure the availability of sufficient moneys to make such payments. At such times as Bonds shall be deemed to be paid hereunder, such Bonds shall no longer be secured by or entitled to the benefits of this Master Trust Agreement, except for the purposes of payment from such moneys or Government Obligations.

Any deposit under clause (b) of the foregoing paragraph shall be deemed a payment of such Bonds. Once such deposit shall have been made, the Trustee shall notify all holders of the affected Bonds that the deposit required by (b) above has been made with the Trustee or an escrow agent and that such Bonds are deemed to have been paid in accordance with this Article VI. No notice of redemption shall be required at the time of such defeasance or prior to such date as may be required by the Supplemental Trust Agreement under which such Bonds were issued. The City may at any time, prior to issuing such notice of redemption as may be required by the Supplemental Trust Agreement under which such Bonds were issued, modify or otherwise change the scheduled date for the redemption or payment of any Bond deemed to be paid under the terms of the foregoing paragraph in accordance with the terms of such Bonds or this Master Trust Agreement subject to (a) receipt of an approving opinion of Bond Counsel that such action will not adversely affect the tax-exempt status with respect to the interest on any Bond then Outstanding and (b) receipt of an approving opinion of a nationally recognized accounting firm that there are sufficient moneys and/or Government Obligations to provide for the payment of such Bonds. Notwithstanding anything in this Article VI to the contrary, moneys from any trust or escrow established for the defeasance of Bonds may be withdrawn and delivered to the City so

long as the requirements of subparagraphs (a) and (b) above are met prior to or concurrently with any such withdrawal.

## ARTICLE VII

### DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute and is referred to in this Master Trust Agreement as an “Event of Default”:

- (a) a failure to pay the principal of or premium, if any, on any of the Bonds, when the same shall become due and payable at maturity or upon redemption;
- (b) a failure to pay any installment of interest on any of the Bonds when such interest shall become due and payable;
- (c) a failure to pay the purchase price of any Bond when such purchase price shall be due and payable upon an optional or mandatory tender date as provided in a Supplemental Trust Agreement;
- (d) a failure by the City to observe and perform any covenant, condition, agreement or provision (other than as specified in paragraphs (a), (b) and (c) of this Section 7.01) that are to be observed or performed by the City and which are contained in this Master Trust Agreement or a Supplemental Trust Agreement, which failure shall continue for a period of sixty (60) days after written notice specifying such failure and requesting that it be remedied, shall have been given to the City by the Trustee, which notice may be given at the discretion of the Trustee and shall be given at the written request of holders of twenty-five percent (25%) or more of the principal amount of the Series of Bonds then Outstanding whose Bonds are in default under (a), (b) or (c) above, unless the Trustee, or the Trustee and holders of Bonds in a principal amount not less than the principal amount of such Series of Bonds the holders of which requested such notice, shall agree in writing to an extension of such period prior to its expiration; provided, however, that the Trustee or the Trustee and the holders of such principal amount of Bonds shall be deemed to have agreed to an extension of such period if corrective action is initiated by the City within such period and is being diligently pursued until such failure is corrected;
- (e) bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, including without limitation proceedings under Chapter 9 of 11 United States Code (as the same may from time to time be hereafter amended), or other proceedings for relief under any federal or state bankruptcy law or similar law for the relief of debtors are instituted by or against the City and, if instituted against the City, said proceedings are consented to or are not dismissed within 60 days after such institution; or
- (f) with respect to any Series of Bonds, the occurrence of any other Event of Default as is provided in a Supplemental Trust Agreement authorizing the issuance of such Series.

Section 7.02. Remedies.

- (a) Upon the occurrence and continuance of any Event of Default, the Trustee in its discretion may, and upon the written direction of the holders of twenty-five percent (25%) or more

of the principal amount of the Bonds then Outstanding whose Bonds are in default under (a), (b) or (c) above, and receipt of indemnity to its satisfaction, shall, in its own name and as the Trustee of an express trust:

- (i) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the applicable Series of Bondholders, and require the City to carry out any agreements with or for the benefit of the Bondholders and to perform its or their duties under the Charter or any other law to which it is subject and this Master Trust Agreement, provided that any such remedy may be taken only to the extent permitted under the applicable provisions of this Master Trust Agreement;
- (ii) bring suit upon the applicable Series of Bonds;
- (iii) commence an action or suit in equity to require the City to account as if it were the trustee of an express trust for the Bondholders; or
- (iv) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders.

(b) The Trustee shall be under no obligation to take any action with respect to any Event of Default unless the Trustee has actual knowledge of the occurrence of such Event of Default.

Section 7.03. Restoration to Former Position. If any proceeding taken by the Trustee to enforce any right under this Master Trust Agreement shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then the City, the Trustee, and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

Section 7.04. Bondholders' Right To Direct Proceedings. Anything in this Master Trust Agreement to the contrary notwithstanding, holders of a majority in principal amount of the Bonds then Outstanding shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Trustee under this Master Trust Agreement to be taken in connection with the enforcement of the terms of this Master Trust Agreement or exercising any trust or power conferred on the Trustee by this Master Trust Agreement; provided that such direction shall not be otherwise than in accordance with the provisions of the law and this Master Trust Agreement and that there shall have been provided to the Trustee security and indemnity satisfactory to the Trustee against the costs, expenses and liabilities to be incurred as a result thereof by the Trustee.

Section 7.05. Limitation on Right To Institute Proceedings. No Bondholder shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust or power hereunder, or any other remedy hereunder or on such Bonds, unless such Bondholder or Bondholders previously shall have given to the Trustee written notice of an Event of Default as hereinabove provided and unless also holders of twenty-five percent (25%) or more of the principal amount of the Series of Bonds then Outstanding that are in default (which could include such Bondholders) shall have made written request of the Trustee to do so, after the right to institute such suit, action or proceeding under Section 7.02 hereof shall have accrued, and shall have afforded the Trustee a reasonable opportunity to proceed to institute the same in either its or their name, and unless there also shall have been offered to the Trustee security and indemnity

satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the institution of such suit, action or proceeding; it being understood and intended that no one or more of the Bondholders shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Master Trust Agreement, or to enforce any right hereunder or under the Bonds, except in the manner herein provided, and that all suits, actions and proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Bondholders.

Section 7.06. No Impairment of Right To Enforce Payment. Notwithstanding any other provision in this Master Trust Agreement, the right of any Bondholder to receive payment of the principal of and interest on such Bond or the purchase price thereof, on or after the respective due dates expressed therein and to the extent of the Revenues and other security provided for the Bonds, or to institute suit for the enforcement of any such payment on or after such respective date, shall not be impaired or affected without the consent of such Bondholder.

Section 7.07. Proceedings by Trustee Without Possession of Bonds. All rights of action under this Master Trust Agreement or under any of the Bonds secured hereby which are enforceable by the Trustee may be enforced by it without the possession of any of the Bonds, or the production thereof at the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the equal and ratable benefit of the Bondholders, subject to the provisions of this Master Trust Agreement.

Section 7.08. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee or to Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute; provided, however, that any conditions set forth herein to the taking of any remedy to enforce the provisions of this Master Trust Agreement or the Bonds shall also be conditions to seeking any remedies under any of the foregoing pursuant to this Section 7.08.

Section 7.09. No Waiver of Remedies. No delay or omission of the Trustee or of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by this Article VII to the Trustee and to the Bondholders, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 7.10. Application of Moneys. If an Event of Default shall occur and be continuing, all amounts then held or any moneys received by the Trustee, by any receiver or by any Bondholder pursuant to any right given or action taken under the provisions of this Article VII (which shall not include moneys provided through a Credit Facility, which moneys shall be restricted to the specific use for which such moneys were provided), after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee (including attorneys' fees and disbursements), shall be applied (i) first, to the payment to the persons entitled thereto of all installments of interest then due on the Bonds, with interest on overdue installments, if lawful, at the rate per annum as provided in any Supplemental Trust Agreement, as the case may be, in the order of maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment, and (ii) second, to the payment to the persons entitled

thereto of the unpaid principal amount of any of the Bonds which shall have become due with interest on such Bonds at such rate as provided in a Supplemental Trust Agreement from the respective dates upon which they became due and, if the amount available shall not be sufficient to pay in full Bonds on any particular date determined to be the payment date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, in each case to the persons entitled thereto, without any discrimination or privilege.

Notwithstanding the foregoing, if an Event of Default shall occur and be continuing, amounts held by the Trustee in the Reserve Fund shall be applied solely to the payment of the Covered Bonds; provided, however, that the foregoing shall not affect the application, if an Event of Default shall occur and be continuing, to the payment of all Bonds from other amounts then held or any moneys received by the Trustee, by any receiver or by any Bondholder pursuant to any right given or action taken under the provisions of this Article VII as provided in the first paragraph of this Section 7.10.

Whenever moneys are to be applied pursuant to the provisions of this Section 7.10, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal and interest to be paid on such date shall cease to accrue. The Trustee shall give notice of the deposit with it of any such moneys and of the fixing of any such date by first-class United States mail, postage prepaid, to all Bondholders and shall not be required to make payment to any Bondholder until such Bonds shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 7.11. Severability of Remedies. It is the purpose and intention of this Article VII to provide rights and remedies to the Trustee and the Bondholders, which may be lawfully granted under the provisions of the Charter and other applicable law, but should any right or remedy herein granted be held to be unlawful, the Trustee and the Bondholders shall be entitled, as above set forth, to every other right and remedy provided in this Master Trust Agreement or by applicable law.

Section 7.12. Additional Events of Default and Remedies. So long as any particular Series of Bonds is Outstanding, the remedies as set forth in this Article VII may be supplemented with additional remedies as set forth in the Supplemental Trust Agreement under which such Series of Bonds is issued.

## **ARTICLE VIII**

### **TRUSTEE, PAYING AGENTS; REGISTRAR**

Section 8.01. Acceptance of Trusts. The Trustee hereby accepts and agrees to execute the trusts specifically imposed upon it by this Master Trust Agreement, but only upon the additional terms set forth in this Article VIII, to all of which the City agrees and the respective Bondholders agree by their acceptance of delivery of any of the Bonds.



Section 8.02. Duties of Trustee.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise its rights and powers and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) The Trustee shall perform the duties set forth in this Master Trust Agreement and no implied duties or obligations shall be read into this Master Trust Agreement against the Trustee.

(c) Except during the continuation of an Event of Default, in the absence of any negligence on its part or any knowledge to the contrary, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Master Trust Agreement. However, the Trustee shall examine the certificates and opinions to determine whether they conform to the requirements of this Master Trust Agreement.

(d) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(1) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer unless the Trustee was negligent in ascertaining the pertinent facts; and

(2) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it from Bondholders or the City in the manner provided in this Master Trust Agreement.

(e) The Trustee shall not, by any provision of this Master Trust Agreement, be required to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Master Trust Agreement at the request or direction of any of the holders of the Bonds, unless such holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(f) Every provision of this Master Trust Agreement that in any way relates to the Trustee is subject to all the paragraphs of this Section.

Section 8.03. Rights of Trustee. Subject to the foregoing Section, the Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice, telegram, request, consent, waiver, certificate, direction, statement, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Master Trust Agreement, and the Trustee shall be under no duty to make investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements.

The Trustee may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in good faith in accordance therewith.

Whenever in the administration of the trusts or duties imposed upon it by this Master Trust Agreement the Trustee shall deem it necessary that a matter be proved or established prior to taking or not taking any action hereunder, such matter may be deemed to be conclusively proved and established by a certificate of the City, and such certificate shall be full warrant to the Trustee for any action taken or not taken by it in good faith under the provisions of this Master Trust Agreement in reliance on such certificate.

The Trustee makes no representation as to the sufficiency or validity of this Master Trust Agreement or of any Bonds, or in respect of the security afforded by this Master Trust Agreement.

The Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it under this Master Trust Agreement.

In the performance of its duties hereunder, the Trustee may employ attorneys, agents and receivers and shall not be liable for any actions of such attorneys, agents and receivers to the extent selected by it with reasonable care.

The Trustee shall have no responsibility with respect to any information, statement or recital whatsoever in any official statement, offering memorandum or other disclosure material prepared or distributed with respect to the Bonds.

Section 8.04. Individual Rights of Trustee. The Trustee in its individual or any other capacity may become the Owner or pledgee of Bonds and may otherwise deal with the City with the same rights it would have if it were not Trustee. Any Paying Agent or other agent may do the same with like rights.

Section 8.05. Trustee's Disclaimer. The Trustee shall not be accountable for the City's use of the proceeds from the City paid to the City and it shall not be responsible for any statement in the Bonds other than its certificate of authentication.

Section 8.06. Notice of Defaults. If (i) an Event of Default has occurred or (ii) an event has occurred which with the giving of notice and/or the lapse of time would be an Event of Default and, with respect to such events for which notice to the City is required before such events will become Events of Default, such notice has been given, then the Trustee shall promptly, after obtaining actual notice of such Event of Default or event described in (ii) of the first sentence of this Section, give notice thereof to each Bondholder. Except in the case of a default in payment or purchase on any Bonds, the Trustee may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Bondholders.

Section 8.07. Compensation of Trustee. For acting under this Master Trust Agreement, the Trustee shall be entitled to payment of fees for its services and reimbursement of advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in connection with its services under this Master Trust Agreement, in accordance with a separate fee schedule setting forth such terms and conditions which has been approved by the City. The City agrees to indemnify and hold the Trustee and its officers, agents and directors harmless

against any liabilities, costs, claims or expenses not arising from the Trustee's own negligence, misconduct or breach of duty, which the Trustee may incur in the exercise and performance of its rights and obligations hereunder including the enforcement of any remedies and the defense of any suit. Such obligation shall survive the discharge of this Master Trust Agreement or the resignation or removal of the Trustee.

Section 8.08. Eligibility of Trustee. This Master Trust Agreement shall always have a Trustee that is a trust company, banking association or a bank having the powers of a trust company and is organized and doing business under the laws of the United States or any state or the District of Columbia, is authorized to conduct trust business under the laws of the State, is subject to supervision or examination by United States, a state or District of Columbia authority and has (together with its corporate parent) a combined capital and surplus of at least \$50,000,000 as set forth in its most recent published annual report of condition.

Section 8.09. Replacement of Trustee. The Trustee may resign by notifying the City in writing prior to the proposed effective date of the resignation. The holders of a majority in principal amount of the Bonds may remove the Trustee by notifying the removed Trustee and may appoint a successor Trustee with the City's consent. The City may remove the Trustee, by notice in writing delivered to the Trustee at least sixty (60) days prior to the proposed removal date; provided, however, that the City shall have no right to remove the Trustee during any time when an Event of Default has occurred and is continuing or when an event has occurred and is continuing or condition exists which with the giving of notice or the passage of time or both would be an Event of Default.

No resignation or removal of the Trustee under this Section shall be effective until a new Trustee has taken office and delivered a written acceptance of its appointment to the retiring Trustee and to the City. Immediately thereafter, the retiring Trustee shall transfer all property held by it as Trustee to the successor Trustee, the resignation or removal of the retiring Trustee shall then (but only then) become effective and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Master Trust Agreement.

If the Trustee resigns or is removed or for any reason is unable or unwilling to perform its duties under this Master Trust Agreement, the City shall promptly appoint a successor Trustee.

If a Trustee is not performing its duties hereunder and a successor Trustee does not take office within sixty (60) days after the retiring Trustee delivers notice of resignation or the City delivers notice of removal, the retiring Trustee, the City or the holders of a majority in principal amount of the Bonds may petition any court of competent jurisdiction for the appointment of a successor Trustee.

Section 8.10. Successor Trustee or Agent by Merger. If the Trustee, any Paying Agent or any Registrar consolidates with, merges or converts into, or transfers all or substantially all its assets (or, in the case of a bank or trust company, its corporate trust assets) to, another corporation and meets the qualifications set forth in this Master Trust Agreement, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee, Paying Agent or Registrar.

Section 8.11. Paying Agent. The City may upon notice to the Trustee at any time or from time to time appoint a Paying Agent or Paying Agents for the Bonds or for any Series of Bonds, and each Paying Agent, if other than the Trustee, shall designate to the City and the Trustee its principal office and signify its acceptance of the duties and obligations imposed upon it hereunder

or under a Supplemental Trust Agreement by a written instrument of acceptance delivered to the City and the Trustee under which each such Paying Agent will agree, particularly:

- (a) to hold all sums held by it for the payment of the principal of, premium or interest on Bonds in trust for the benefit of the Bondholders until such sums shall be paid to such Bondholders or otherwise disposed of as herein provided;
- (b) to keep such books and records as shall be consistent with prudent industry practice, to make such books and records available for inspection by the City and the Trustee on each Business Day during reasonable business hours; and
- (c) upon the request of the Trustee, to forthwith deliver to the Trustee all sums so held in trust by such Paying Agent.

Section 8.12. Registrar. The City has heretofore appointed U.S. Bank Trust Company, National Association as the Registrar for the Bonds. The City may from time to time remove U.S. Bank Trust Company, National Association as Registrar for any Series of Bonds and name a replacement therefor. Each Registrar, if other than the Trustee, shall designate to the Trustee, the Paying Agent for the Bonds for which it is Registrar, and signify its acceptance of the duties imposed upon it hereunder or under a Supplemental Trust Agreement by a written instrument of acceptance delivered to the City and the Trustee under which such Registrar will agree, particularly, to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the City, the Trustee, and the Paying Agent for the Bonds for which it is Registrar on each Business Day during reasonable business hours.

Section 8.13. Other Agents. The City, or the Trustee with the consent of the City, may from time to time appoint other agents as may be appropriate at the time to perform duties and obligations under this Master Trust Agreement or under a Supplemental Trust Agreement all as provided by Supplemental Trust Agreement or resolution of the City.

Section 8.14. Several Capacities. Anything in this Master Trust Agreement to the contrary notwithstanding, with the consent of the City, the same entity may serve hereunder as the Trustee or a Paying Agent, Registrar and any other agent as appointed to perform duties or obligations under this Master Trust Agreement, under a Supplemental Trust Agreement or an escrow agreement, or in any combination of such capacities, to the extent permitted by law. A Paying Agent and the Registrar shall be entitled to the same protections, limitations from liability and indemnities afforded to the Trustee under this Master Trust Agreement.

Section 8.15. [Reserved].

Section 8.16. Accounting Records and Reports of the Trustee.

(a) The Trustee shall at all times keep, or cause to be kept, proper records in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of the Bonds and all funds and accounts established by it pursuant to this Master Trust Agreement. Such records shall be available for inspection with reasonable prior notice by the City on each Business Day during reasonable business hours and by any Bondholder, or his agent or representative duly authorized in writing, at reasonable hours and under reasonable circumstances.

(b) The Trustee shall provide to the City each month, and at any other time requested by the City, a report of any Bond proceeds received during that month, if any, and the amounts deposited into each fund and account held by it under this Master Trust Agreement and the amount disbursed from such funds and accounts, the earnings thereon, the ending balance in each of such funds and accounts and the investments of each such fund and account; provided that the Trustee shall not be obligated to deliver an accounting for any fund or account that (i) has a balance of \$0.00 and (ii) has not had any activity since the last reporting date.

(c) The Trustee shall annually, within thirty (30) days after the end of the Fiscal Year, furnish to the City and to each Bondholder who shall have filed his name and address with the Trustee for such purpose (at such Bondholder's cost) a statement (which need not be audited) covering receipts, interest, disbursements, allocation and application of Bond proceeds, Revenues and any other moneys in any of the funds and accounts established by it pursuant to this Master Trust Agreement or any Supplemental Trust Agreement for the preceding year.

## **ARTICLE IX**

### **MODIFICATION OF THIS MASTER TRUST AGREEMENT**

Section 9.01. Limitations. This Master Trust Agreement shall not be modified or amended in any respect subsequent to the first delivery of fully executed and authenticated Bonds, except as provided in and in accordance with and subject to the provisions of this Article IX.

Section 9.02. Supplemental Trust Agreements Not Requiring Consent of Bondholders. The City may, from time to time and at any time, without the consent of or notice to the Bondholders, execute and deliver Supplemental Trust Agreements supplementing and/or amending this Master Trust Agreement or any Supplemental Trust Agreement as follows:

(a) to provide for the issuance of a Series or multiple Series of Bonds under the provisions of Section 2.08 of this Master Trust Agreement and to set forth the terms of such Bonds and the special provisions which shall apply to such Bonds;

(b) to cure any formal defect, omission, inconsistency or ambiguity in, or answer any questions arising under, this Master Trust Agreement or any Supplemental Trust Agreement, provided such supplement or amendment is not materially adverse to the Bondholders;

(c) to add to the covenants and agreements of the City in this Master Trust Agreement or any Supplemental Trust Agreement other covenants and agreements, or to surrender any right or power reserved or conferred upon the City, provided such supplement or amendment shall not materially adversely affect the interests of the Bondholders;

(d) to confirm, as further assurance, any interest of the Trustee in and to the Revenues or in and to the funds and accounts held by the Trustee or any other agent or in and to any other moneys, securities or funds of the City provided pursuant to this Master Trust Agreement or to otherwise add additional security for the Bondholders;

(e) to evidence any change made in the terms of any Series of Bonds if such changes are authorized by the Supplemental Trust Agreement at the time the Series of Bonds is

issued and such change is made in accordance with the terms of such Supplemental Trust Agreement;

(f) to comply with the requirements of the Trust Indenture Act of 1939, as from time to time amended;

(g) to modify, alter, amend or supplement this Master Trust Agreement or any Supplemental Trust Agreement in any other respect which is not materially adverse to the Bondholders;

(h) to provide for uncertificated Bonds or for the issuance of coupons and bearer Bonds or Bonds registered only as to principal;

(i) to qualify the Bonds or a Series of Bonds for a rating or ratings by a Rating Agency;

(j) to accommodate the technical, operational and structural features of Bonds which are issued or are proposed to be issued, including, but not limited to, changes to accommodate commercial paper, auction bonds, variable rate or adjustable rate bonds, discounted or compound interest bonds or other forms of indebtedness which the City from time to time deems appropriate to incur;

(k) to accommodate the use of a Credit Facility or Liquidity Facility for specific Bonds or a specific Series of Bonds; or

(l) to comply with the requirements of the Code as are necessary, in the opinion of Bond Counsel, to prevent the federal income taxation of the interest on any Bonds, including, without limitation, the segregation of Solid Waste Collection, Transfer, Recycling, Recovery of Waste Resources and Disposal Fees into different funds.

Before the City shall, pursuant to this Section 9.02, execute any Supplemental Trust Agreement, there shall have been delivered to the City and Trustee an opinion of Bond Counsel to the effect that such Supplemental Trust Agreement is authorized or permitted by this Master Trust Agreement and will, upon the execution and delivery thereof, be valid and binding upon the City in accordance with its terms.

### Section 9.03. Supplemental Trust Agreement Requiring Consent of Bondholders.

(a) Except for any Supplemental Trust Agreement entered into pursuant to Section 9.02 and any Supplemental Trust Agreement entered into pursuant to Section 9.03(b) below, subject to the terms and provisions contained in this Section 9.03 and not otherwise, the holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding shall have the right from time to time to consent to and approve the execution by the City of any Supplemental Trust Agreement 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 this Master Trust Agreement or in a Supplemental Trust Agreement; provided, however, that, unless approved in writing by the holders of all the Bonds then Outstanding or unless such change affects less than all Series of Bonds and the following subsection (b) is applicable, nothing herein contained shall permit, or be construed as permitting, (i) a change in the scheduled times, amounts or currency of payment of the principal of or interest on any Outstanding Bonds, (ii) a reduction in the principal amount or redemption price of any Outstanding Bonds or the rate of interest thereon; and provided that nothing herein contained,

including the provisions of Section 9.03(b) below, shall, unless approved in writing by the holders of all the Bonds then Outstanding, permit or be construed as permitting, (iii) the creation of a lien (except as expressly permitted by this Master Trust Agreement) upon or pledge of Revenues created by this Master Trust Agreement, ranking prior to or on a parity with the claim created by this Master Trust Agreement, (iv) except with respect to additional security which may be provided for a particular Series of Bonds, a preference or priority of any Bond or Bonds over any other Bond or Bonds with respect to the security granted therefor under the Granting Clause hereof, or (v) a reduction in the aggregate principal amount of Bonds the consent of the Bondholders of which is required for any such Supplemental Trust Agreement. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders of the execution of any Supplemental Trust Agreement as authorized in Section 9.02 hereof, including the granting, for the benefit of particular Series of Bonds, security in addition to the pledge of Revenues.

(b) The City may, from time to time and at any time, execute a Supplemental Trust Agreement which amends the provisions of an earlier Supplemental Trust Agreement under which a Series or multiple Series of Bonds were issued. If such Supplemental Trust Agreement is executed for one of the purposes set forth in Section 9.02 hereof, no notice to or consent of the Bondholders shall be required. If such Supplemental Trust Agreement contains provisions which affect the rights and interests of less than all Series of Bonds Outstanding and Section 9.02 hereof is not applicable, then this subsection (b) rather than subsection (a) above shall control and, subject to the terms and provisions contained in this Section 9.03(b) and not otherwise, the holders of not less than fifty-one percent (51%) in aggregate principal amount of the Outstanding Bonds of all Series which are affected by such changes shall have the right from time to time to consent to any Supplemental Trust Agreement 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 Trust Agreement and affecting only the Bonds of such Series; provided, however, that, unless approved in writing by the holders of all the Bonds of all the affected Series then Outstanding, nothing herein contained shall permit, or be construed as permitting, (i) a change in the scheduled times, amounts or currency of payment of the principal of or interest on any Outstanding Bonds of such Series or (ii) a reduction in the principal amount or redemption price of any Outstanding Bonds of such Series or the rate of interest thereon. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders of the adoption of any Supplemental Trust Agreement as authorized in Section 9.02 hereof, including the granting, for the benefit of particular Series of Bonds, security in addition to the pledge of Revenues.

(c) [Reserved].

(d) Before the City shall, pursuant to this Section 9.03, execute any Supplemental Trust Agreement, there shall have been delivered to the City and Trustee an opinion of Bond Counsel to the effect that such Supplemental Trust Agreement is authorized or permitted by this Master Trust Agreement and will, upon the execution and delivery thereof, be valid and binding upon the City in accordance with its terms.

(e) If Bondholders of not less than the percentage of Bonds required by this Section 9.03 shall have consented to and approved the execution and delivery thereof as herein provided, no Bondholders shall have any right to object to the adoption of such Supplemental Trust Agreement, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution and delivery thereof, or to

enjoin or restrain the City from executing the same or from taking any action pursuant to the provisions thereof.

Section 9.04. Effect of Supplemental Trust Agreement. Upon execution and delivery of any Supplemental Trust Agreement pursuant to the provisions of this Article IX, this Master Trust Agreement or the Supplemental Trust Agreement that it supplements shall be, and shall be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Master Trust Agreement or such other Supplemental Trust Agreement of the City, the Trustee, any Paying Agent, any Registrar and all Bondholders shall thereafter be determined, exercised and enforced under this Master Trust Agreement or such other Supplemental Trust Agreement, if applicable, subject in all respects to such modifications and amendments. No Supplemental Trust Agreement shall modify the duties, rights or obligations of the Trustee, or any Paying Agent or Registrar without the consent of such party thereto.

## **ARTICLE X**

### **CREDIT PROVIDERS**

If a Credit Facility is provided for a Series of Bonds or for specific Bonds, the City may in the Supplemental Trust Agreement under which such Bonds are issued, provide any or all of the following rights to the Credit Provider as the City shall deem to be appropriate:

(1) the right to make requests of, direct or consent to the actions of the Trustee or to otherwise direct proceedings all as provided in Article VII of this Master Trust Agreement to the same extent and in place of the Owners of the Bonds which are secured by the Credit Facility and for such purposes the Credit Provider shall be deemed to be the Bondholder of such Bonds; and

(2) the right to act in place of the Owners of the Bonds which are secured by the Credit Facility for purposes of removing a Trustee or appointing a Trustee under Article VIII hereof.

The rights granted to any such Credit Provider, with respect to the provisions of Articles VII and VIII hereof shall be disregarded and be of no effect if the Credit Provider is in default of its payment obligations under its Credit Facility.

## **ARTICLE XI**

### **MISCELLANEOUS PROVISIONS**

Section 11.01. Parties in Interest. Except as herein otherwise specifically provided, nothing in this Master Trust Agreement expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the City, the Trustee, any Paying Agent, other agents from time to time hereunder, the Bondholders and, to the limited extent provided by Supplemental Trust Agreement, the Credit Providers any right, remedy or claim under or by reason of this Master Trust Agreement, this Master Trust Agreement being intended to be for the sole and exclusive benefit of the City, the Trustee, any Paying Agent, such other agents, the Bondholders and, to the limited extent provided in the applicable Supplemental Trust Agreement, the Credit Providers.



Section 11.02. Severability. In case any one or more of the provisions of this Master Trust Agreement, or of any Bonds issued hereunder shall; for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Master Trust Agreement or any other Bonds, and this Master Trust Agreement and any Bonds issued hereunder shall be construed and enforced as if such illegal or invalid provisions had not been contained herein or therein.

Section 11.03. No Personal Liability of City Officials; Limited Liability of City to Bondholders. No covenant or agreement contained in the Bonds or in this Master Trust Agreement shall be deemed to be the covenant or agreement of any present or future official, officer, agent or employee of the City, in his individual capacity, and no person executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 11.04. Execution of Instruments; Proof of Ownership. Any request, direction, consent or other instrument in writing required or permitted by this Master Trust Agreement to be signed or executed by Bondholders or on their behalf by an attorney-in-fact may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Bondholders in person or by an agent or attorney-in-fact appointed by an instrument in writing or as provided in the Bonds. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of this Master Trust Agreement and shall be conclusive in favor of the Trustee with regard to any action taken by it under such instrument if made in the following manner:

- (a) The fact and date of the execution by any person of any such instrument may be proved by the certificate of any officer in any jurisdiction who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the person signing such instrument acknowledged before him the execution thereof, or by an affidavit of a witness to such execution.
- (b) The ownership of Bonds shall be proved by the registration books kept under the provisions of Section 2.04 hereof.

Nothing contained in this Section 11.04 shall be construed as limiting the Trustee to such proof. The Trustee may accept any other evidence of matters herein stated which it may deem sufficient. Any request, consent of, or assignment by any Bondholder shall bind every future Bondholder of the same Bonds or any Bonds issued in lieu thereof in respect of anything action taken the Trustee or the City in pursuance of such request or consent.

Section 11.05. Governing Law. The laws of the State shall govern the construction and enforcement of this Master Trust Agreement and of all Bonds issued hereunder; provided, however, that the administration of the trusts imposed upon the Trustee by this Master Trust Agreement and the rights and duties of the Trustee hereunder shall be governed by, and construed in accordance with, the laws of the jurisdiction in which the Trustee has its principal corporate trust office.

Section 11.06. Notices. Except as otherwise provided in this Master Trust Agreement, all notices, certificates, requests, requisitions or other communications by the City, the Trustee, a Paying Agent, a Registrar, other agents or a Credit Provider, pursuant to this Master Trust Agreement shall be in writing and shall be sufficiently given and shall be deemed given when mailed by registered mail, postage prepaid, addressed as follows:

If to the City: Office of the City Administrative Officer  
City Hall East, Room 1500  
200 North Main Street  
Los Angeles, California 90012  
Attn: Debt Management Group

If to the Trustee: U.S. Bank Trust Company, National Association  
633 West 5th Street, 24th Floor  
Los Angeles, California 90071  
Attention: Global Corporate Trust  
Ref: City of LA SWRRB  
Facsimile: (213) 453-1019

Any of the foregoing may, by notice given hereunder to each of the others, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent hereunder. Any of the foregoing may also be sent by Electronic Means, receipt of which shall be confirmed.

Section 11.07. Counterparts. This Master Trust Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Facsimile signatures or signatures scanned into a portable document format (.pdf file) (or signatures in another electronic format designated by the City) and sent by e-mail shall be deemed original signatures.

Section 11.08. Amendment and Restatement of Original Master Trust Agreement; Continued Effectiveness of Existing Supplemental Trust Agreements.

(a) This Master Trust Agreement amends and restates the Original Master Trust Agreement in its entirety. Reference to this specific Master Trust Agreement need not be made in any agreement, including any prior Supplemental Trust Agreement, document, instrument, letter, certificate, the Existing Bonds, or any communication issued or made pursuant to or with respect to the Original Master Trust Agreement (including without limitation the Existing Bonds and the Existing Supplemental Trust Agreements relating thereto), and any reference to the Original Master Trust Agreement therein shall be deemed to refer to the Original Master Trust Agreement as amended and restated by this Master Trust Agreement, and more specifically, any and all references to the "Master Trust Agreement" in any and all of the foregoing shall mean this Master Trust Agreement; provided, however, that (i) references to "Master Trust Agreement" in Article III of the Thirteenth Supplemental Trust Agreement shall continue to refer to the "Original Master Trust Agreement," not this Master Trust Agreement, and (ii) references to "Original Master Trust Agreement" in the recitals to, and Article VIII of, the Fourteenth Supplemental Trust Agreement shall continue to refer to the "Original Master Trust Agreement," not this Amended and Restated Master Trust Agreement.

(b) For the avoidance of doubt, each of the Existing Supplemental Trust Agreements shall continue to be in full force and effect so long as the Existing Bonds relating thereto remain Outstanding; provided, however, that notwithstanding anything to the contrary set forth in the Existing Supplemental Trust Agreements, including, without limitation, Article VII thereof, each of the Existing Supplemental Trust Agreements shall be deemed to direct the Trustee to utilize the provisions of Section 4.04 and 4.05 of this Master Trust Agreement instead of Section 4.06 of the Original Master Trust Agreement.

Section 11.09. Effective Time. This Master Trust Agreement shall take effect at the Amended and Restated Master Trust Agreement Effective Time, which means the moment immediately after the time on June [28], 2023 at which both the City and the Trustee have executed the Fourteenth Supplemental Trust Agreement and the Series 2023-A Bonds have been issued.

[Signature Page Follows on Next Page]

IN WITNESS WHEREOF, the parties hereto have caused this Master Trust Agreement to be duly executed, all as of the date first above written.

**CITY OF LOS ANGELES**

By: \_\_\_\_\_  
Benjamin Ceja  
Assistant City Administrative Officer

Approved as to Form:  
Hydee Feldstein Soto,  
City Attorney

By: \_\_\_\_\_  
Amy Pham  
Deputy City Attorney

**U.S. BANK TRUST COMPANY,  
NATIONAL ASSOCIATION,  
AS TRUSTEE**

By: \_\_\_\_\_  
Authorized Officer

§ \_\_\_\_\_  
**CITY OF LOS ANGELES**  
**SOLID WASTE RESOURCES REVENUE BONDS,**  
**SERIES 2023-A**

**CONTRACT OF PURCHASE**

June \_\_, 2023

City of Los Angeles  
Office of the City Administrative Officer  
200 North Main Street  
Room 1500, City Hall East  
Los Angeles, California 90012-4137

Ladies and Gentlemen:

The undersigned on behalf of itself and as representative of the underwriters named on the signature page hereto (hereinafter called the “Underwriters”) offers to enter into this agreement with the City of Los Angeles (the “City”), which, upon acceptance of this offer by the City, will be binding upon the City and the Underwriters. This offer is made subject to the written acceptance hereof by the City on or before 11:59 p.m., Los Angeles Time, on the date hereof and, if not so accepted, will be subject to withdrawal by the Underwriters upon written or oral notice given to the City at any time prior to the acceptance hereof by the City. Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Official Statement (defined herein).

1. Purchase and Sale.

(a) Upon the terms and conditions and upon the basis of the representations and agreements set forth herein, the Underwriters, jointly and severally, hereby agree to purchase, and the City hereby agrees to sell all (but not less than all) of \$\_\_\_\_\_ City of Los Angeles Solid Waste Resources Revenue Bonds, Series 2023-A (the “Series 2023-A Bonds”).

The Series 2023-A Bonds shall be dated the date of delivery thereof and shall be payable in the years and the amounts, and bear interest at the rates, set forth in Schedule I hereto, such interest being payable on February 1 and August 1 of each year, commencing \_\_\_\_\_ 1, 20\_\_.

The purchase price for the Series 2023-A Bonds shall be \$\_\_\_\_\_, which is equal to the aggregate principal amount of the Series 2023-A Bonds, plus [net] premium of \$\_\_\_\_\_ for the Series 2023-A Bonds, less the Underwriters’ discount of \$\_\_\_\_\_.

The Series 2023-A Bonds shall be subject to redemption prior to their stated maturities, as set forth in Schedule I hereto.

(b) The City has delivered or caused to be delivered to the Underwriters the City’s preliminary official statement dated \_\_\_\_\_, 2023 relating to the Series 2023-A Bonds (said preliminary official statement, together with the cover page and any and all appendices thereto, [as supplemented from time to time (including as may be supplemented in a final Official Statement (defined below))] being herein referred to as the “Preliminary Official Statement”). The City confirms that the Preliminary Official Statement was “deemed final” as of the date thereof, for purposes of Securities and Exchange Commission Rule 15c2-12, as amended (“Rule 15c2-12”), except for certain

information permitted to be omitted by said Rule. The Series 2023-A Bonds are being offered pursuant to the City's final official statement relating to the Series 2023-A Bonds, dated June \_\_, 2023 (said final official statement, together with the cover page and any and all appendices thereto and including any amendments or supplements thereto prior to the Closing (as defined herein), being herein referred to as the "Official Statement"). The Official Statement shall be in substantially the same form as the Preliminary Official Statement and, other than information previously permitted to have been omitted by Rule 15c2-12, the City shall only make such other additions, deletions and revisions in the Official Statement which are approved by the Representative (as defined herein). Capitalized terms used herein which are not otherwise defined herein shall have the respective meanings given such terms in the Official Statement.

(c) The City acknowledges and agrees that (i) the purchase and sale of the Series 2023-A Bonds pursuant to this Contract of Purchase is an arm's-length commercial transaction between the City and the Underwriters and the Underwriters have financial and other interests that differ from those of the City, (ii) the Underwriters are acting solely as principals and are not acting as the agent, financial advisor, municipal advisor or fiduciary of the City, (iii) the Underwriters have not assumed (individually or collectively) an advisory or fiduciary responsibility in favor of the City with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the City on other matters) and the Underwriters have no obligation to the City with respect to the offering contemplated hereby except the obligations expressly set forth in this Contract of Purchase and (iv) the City has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

2. The Series 2023-A Bonds. The Series 2023-A Bonds are being issued by the City of Los Angeles (the "City") pursuant to the Charter of the City of Los Angeles (the "City Charter") and Article 6.4 of Chapter 1 of Division 11 of the Administrative Code of the City. The Series 2023-A Bonds are also issued pursuant to a Master Trust Agreement, dated as of September 1, 2001 (as amended from time to time, the "Original Trust Agreement"), by and between the City and U.S. Bank Trust Company, National Association, as successor trustee (the "Trustee"), and such Original Trust Agreement has been supplemented from time to time, including as supplemented by a Fourteenth Supplemental Trust Agreement, dated as of June 1, 2023 (the "Fourteenth Supplemental Trust Agreement"). Immediately following the issuance and delivery of the Series 2023-A Bonds, the Original Trust Agreement will be amended and restated by an Amended and Restated Master Trust Agreement, dated as of June 1, 2023 (the "Amended and Restated Trust Agreement"), by and between the City and the Trustee.

The proceeds of the Series 2023-A Bonds will be used to (a) finance the acquisition of (i) certain equipment, including vehicles and other items, and the installation thereof, if any, for the refuse collection and disposal system of the City (the "System"), including vehicles for the collection of bulky items from multi-family dwellings, and (ii) facilities, including the construction and renovation of real property and other capital improvements for the System; (b) [pay capitalized interest on the Series 2023-A Bonds]; and (c) pay the costs of issuance of the Series 2023-A Bonds.

3. Authority. The Underwriters represent and warrant to the City that they are authorized to take any action under this Contract of Purchase required to be taken by them, that J.P. Morgan Securities LLC, (the "Representative") is authorized to execute this Contract of Purchase on behalf of the Underwriters and it has been duly authorized by the Underwriters to act hereunder and, as the representative of the Underwriters, to take all actions, and waive any condition or requirement, required or permitted to be taken or waived hereunder by the Underwriters, and that this Contract of Purchase is a binding contract of the Underwriters enforceable in accordance with its terms.

4. Offering; Issue Price.

(a) The Underwriters agree to make a bona fide public offering of the Series 2023-A Bonds at a price not in excess of the initial offering price or prices or yields not less than the yields set forth in the Official Statement, which prices may be changed from time to time by the Underwriters after such initial offering.

(b) The Representative, on behalf of the Underwriters, agrees to assist the City in establishing the issue price of the Series 2023-A Bonds and shall execute and deliver to the City at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit D, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the City and Co-Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2023-A Bonds.

(c) Except as otherwise set forth in Schedule I attached hereto, the City will treat the first price at which 10% of each maturity of the Series 2023-A Bonds (the “10% test”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Contract of Purchase, the Representative shall report to the City the price or prices at which the Underwriters have sold to the public each maturity of Series 2023-A Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Series 2023-A Bonds, the Representative agrees to promptly report to the City the prices at which Series 2023-A Bonds of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing Date (as defined herein) has occurred, until either (i) all Series 2023-A Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to the Series 2023-A Bonds of that maturity, provided that, the Underwriters’ reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, the City or Co-Bond Counsel. For purposes of this Section, if Series 2023-A Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Series 2023-A Bonds.

(d) The Representative confirms that the Underwriters have offered the Series 2023-A Bonds to the public on or before the date of this Contract of Purchase at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. Schedule I also sets forth, as of the date of this Contract of Purchase, the maturities, if any, of the Series 2023-A Bonds for which the 10% test has not been satisfied and for which the City and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the City to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2023-A Bonds, the Underwriters will neither offer nor sell unsold Series 2023-A Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Series 2023-A Bonds to the public at a price that is no higher than the initial offering price to the public.

(e) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Series 2023-A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Series 2023-A Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2023-A Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% test has been satisfied as to the Series 2023-A Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires, and

(B) to promptly notify the Representative of any sales of Series 2023-A Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2023-A Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by an underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Series 2023-A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2023-A Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2023-A Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2023-A Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such underwriter or dealer that the 10% test has been satisfied as to the Series 2023-A Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative or such Underwriter or dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the Underwriter or the dealer and as set forth in the related pricing wires.

(f) The City acknowledges that, in making the representations set forth in this section, the Representative will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the Series 2023-A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2023-A Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2023-A Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2023-A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2023-A Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in



connection with the initial sale of the Series 2023-A Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Series 2023-A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2023-A Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Series 2023-A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2023-A Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Series 2023-A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2023-A Bonds.

(g) The Underwriters acknowledge that sales of any Series 2023-A Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series 2023-A Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2023-A Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2023-A Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2023-A Bonds to the public),
- (iii) a purchaser of any of the Series 2023-A Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date of execution of this Contract of Purchase by all parties.

5. Official Statement, Delivery of Other Documents. The City shall deliver to the Underwriters, within seven business days of the date hereof, [in sufficient time to accompany any confirmation to a customer] and in any event, at least three business days prior to the Closing, the Official Statement, in such quantity as the Underwriters may reasonably request in order for the Underwriters to comply with the rules of the Municipal Securities Rulemaking Board (“MSRB”) and

subsection (b)(4) of Rule 15c2-12. The City shall deliver to the Underwriters an electronic copy of the Official Statement in a form that permits the Underwriters to satisfy their obligations under the rules and regulations of the MSRB and the U.S. Securities and Exchange Commission. [The foregoing delivery deadline for the final Official Statement does not limit the City's obligation to supplement or amend the Preliminary Official Statement or Official Statement as provided in Section 7(p).] In order to assist the Underwriters in complying with Rule 15c2-12, the City will undertake, pursuant to the Continuing Disclosure Certificate, dated as of the Closing Date (the "Continuing Disclosure Certificate"), to provide annual financial information and notices of the occurrence of specified events. A description of the Continuing Disclosure Certificate is set forth in, and a form of such undertaking is attached as an appendix to, the Preliminary Official Statement and the Official Statement.

[The City shall include in the Preliminary Official Statement and the Official Statement a link to the Electronic Municipal Market Access ("EMMA") website setting forth a downloadable version of the complete financial statements of the City for the fiscal year ended June 30, 2022 and shall specifically incorporate by reference those financial statements into the Preliminary Official Statement and the Official Statement.]

6. Use of Documents.

(a) The City authorizes the use by the Underwriters of the Original Trust Agreement, the Fourteenth Supplemental Trust Agreement, the Amended and Restated Trust Agreement, the Official Statement (including any supplements or amendments thereto and including in electronic format), and the information therein contained, in connection with the public offering and sale of the Series 2023-A Bonds. The City also confirms its consent to the use by the Underwriters, prior to the date hereof, of the Preliminary Official Statement (including in electronic format) in connection with the public offering of the Series 2023-A Bonds.

(b) The Representative shall file the Official Statement, and any supplement or amendment thereto, with the MSRB via its EMMA system in accordance with the rules of the MSRB.

7. Representations and Agreements of the City. The City hereby represents and warrants as of the date hereof and agrees as follows:

(a) The City is a charter city and municipal corporation duly organized and validly existing under the laws of the State of California.

(b) The City has the full legal power and authority to (i) execute and deliver the Fourteenth Supplemental Trust Agreement, the Amended and Restated Trust Agreement and enter into the Continuing Disclosure Certificate, this Contract of Purchase and any other documents executed by the City in connection with the Series 2023-A Bonds (collectively, the "City Documents"); (ii) to sell, issue and deliver the Series 2023-A Bonds to the Underwriters as provided herein and (iii) to carry out and consummate the transactions on its part contemplated by the City Documents.

(c) (i) Resolutions relating to the execution and delivery by the City of the Original Trust Agreement and the supplemental trust agreements relating thereto executed and delivered by the City prior to the date hereof (collectively, the "Original Resolutions") were duly adopted by the Council of the City at meetings which were held pursuant to the terms of the Charter and all other applicable law and with all required notice and at which a quorum was present at the time of adoption of each of the Original Resolutions, and (ii) a resolution relating to the Series 2023-A Bonds (the "Series 2023-A Bonds Resolution") and an ordinance (the "Fund Ordinance") establishing, among other things, an acquisition fund relating to the Series 2023-A Bonds were duly adopted by the Council of the City at

a meeting which was held on May \_\_, 2023 pursuant to the terms of the Charter and all other applicable law and with all required notice and at which a quorum was present at the time of adoption of the Series 2023-A Bonds Resolution and Fund Ordinance.

(d) By all necessary official action, the City has duly authorized and approved (i) the execution and delivery of the City Documents and the Original Trust Agreement; (ii) the Preliminary Official Statement and the Official Statement; (iii) the execution and delivery of, and the performance by the City of its obligations to provide the information described in, the Continuing Disclosure Certificate and its obligations contained in this Contract of Purchase; (iv) the execution of all certificates and other instruments necessary to effectuate the issuance and delivery of the Series 2023-A Bonds; and (v) the performance by the City of the obligations on its part contained in the City Documents and the Original Trust Agreement and the consummation by it of all other transactions contemplated by the City Documents and the Original Trust Agreement in connection with the issuance of the Series 2023-A Bonds. In connection with the issuance of the Series 2023-A Bonds, the City has complied in all material respects, (i) with the laws of the State of California and of the United States and (ii) with its obligations on its part contained in the City Documents and the Original Trust Agreement.

(e) The Series 2023-A Bonds, the Original Trust Agreement, the Fourteenth Supplemental Trust Agreement, the Amended and Restated Trust Agreement and the Continuing Disclosure Certificate will conform in all material respects to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement[, and the City shall not permit any changes to the City Documents, the Preliminary Official Statement or the Official Statement without the prior written consent of the Representative, which consent shall not be unreasonably withheld].

(f) At or prior to the Closing, the Fourteenth Supplemental Trust Agreement, this Contract of Purchase, the Series 2023-A Bonds and the Continuing Disclosure Certificate shall have been duly executed and delivered by the City and the Original Trust Agreement, the Fourteenth Supplemental Trust Agreement, this Contract of Purchase, the Series 2023-A Bonds and the Continuing Disclosure Certificate shall be legal, valid and binding obligations of the City, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights generally and subject, as to enforceability, to the general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law), to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations in the State of California. Immediately following the Closing, the Amended and Restated Trust Agreement shall have been duly executed and delivered by the City and the Trustee and the Amended and Restated Trust Agreement shall be a legal, valid and binding obligation of the City, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights generally and subject, as to enforceability, to the general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law), to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations in the State of California.

(g) Between the date of this Contract of Purchase and the Closing Date, except as contemplated by the Preliminary Official Statement and the Official Statement, the City will not, with respect to the System (as defined in the Official Statement), incur any material liabilities, direct or contingent other than in the ordinary course of business of the System, and, except as contemplated by the Preliminary Official Statement and the Official Statement, there shall not have been any material adverse change in the finances or operations of the System other than changes in the ordinary course of business.

(h) The City is not[, in any material respect,] in breach of or default under any applicable existing constitutional provision, law or administrative regulation of the State of California or the United States binding on the City or any existing applicable judgment or court decree binding on the City or any existing loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party which would materially adversely affect the ability of the City to pay the principal and interest on the Series 2023-A Bonds, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute such an event of default which would have such effect under any such instrument; and the execution and delivery of the Fourteenth Supplemental Trust Agreement, the Amended and Restated Trust Agreement, this Contract of Purchase and the Continuing Disclosure Certificate and the performance by the City of its obligations under the Original Trust Agreement, the Fourteenth Supplemental Trust Agreement, the Amended and Restated Trust Agreement, this Contract of Purchase and the Continuing Disclosure Certificate will not, in any material respect, conflict with or constitute a breach of or default under any existing constitutional provision, law or administrative regulation of the State of California or the United States binding on the City or any existing applicable judgment or court decree binding on the City, or any existing loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party, which conflict, breach or default would materially adversely affect the ability of the City to pay the principal and interest on the Series 2023-A Bonds.

(i) Except as disclosed in the Preliminary Official Statement and the Official Statement, there is no action, suit or proceeding, at law or in equity, before or by any court, pending against the City (service of process against the City having been made) or, to the knowledge of the officer of the City executing this Contract of Purchase, [after diligent inquiry, overtly threatened in writing] (i) in any way questioning the existence of the City or the titles of the Authorized City Representatives (as defined in the Amended and Restated Trust Agreement) to their respective offices; (ii) seeking to prohibit, restrain or enjoin the execution or delivery of the Fourteenth Supplemental Trust Agreement or the Amended and Restated Trust Agreement, the issuance or delivery of the Series 2023-A Bonds, or application of the proceeds of sale of the Series 2023-A Bonds, or in any way contesting the validity of the Original Trust Agreement, the Fourteenth Supplemental Trust Agreement, the Amended and Restated Trust Agreement, the Original Resolutions, the Series 2023-A Bonds Resolution, the Fund Ordinance, the Series 2023-A Bonds, the Continuing Disclosure Certificate or this Contract of Purchase, or the tax-exempt status of interest due with respect to the Series 2023-A Bonds or any authority for the execution and delivery of the Series 2023-A Bonds, or the execution and delivery by the City of the Fourteenth Supplemental Trust Agreement, the Amended and Restated Trust Agreement, the Continuing Disclosure Certificate or this Contract of Purchase; or (iii) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(j) Except as disclosed in the Preliminary Official Statement and the Official Statement, there is no action, suit or proceeding, at law or in equity, before or by any court, pending against the City (service of process against the City having been made) or, to the knowledge of the officer of the City executing this Contract of Purchase, overtly threatened in writing, which would result in any material adverse change to the financial condition of the System and the SWR Revenue Fund.

(k) The City will furnish such information, execute such instruments and take such other action not inconsistent with law in cooperation with the Underwriters as necessary (i) to qualify the Series 2023-A Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate and (ii) to

determine the eligibility of the Series 2023-A Bonds for investment under the laws of such states and other jurisdictions, and will use its commercially reasonable efforts to continue such qualifications in effect so long as required for the distribution of the Series 2023-A Bonds; provided, however, that the City shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(l) All approvals, consents and orders of any California or United States governmental authority having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the City of its obligations in connection with, the execution, sale and delivery of the Series 2023-A Bonds under this Contract of Purchase have been obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Series 2023-A Bonds; and, except as disclosed in the Preliminary Official Statement and the Official Statement, all approvals, consents and orders of any California or United States governmental authority having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the City of its obligations under, the City Documents and the Original Trust Agreement have been obtained.

(m) The Preliminary Official Statement (other than the information contained in the Preliminary Official Statement with respect to The Depository Trust Company (“DTC”) and the book-entry system, under the caption “UNDERWRITING,” the sentence expressly stated to be provided by the Underwriters for inclusion therein, and information permitted to be omitted pursuant to Rule 15c2-12, as to which no view need be expressed) did not, on the date thereof, and through the period up to and including the execution of this Contract of Purchase, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(n) At the time of the City’s acceptance hereof and up to and including the time of Closing (unless an event occurs of the nature described in paragraph (p) of this Section 7), [the Preliminary Official Statement and] the Official Statement (other than the information therein relating to DTC and the book-entry system and under the caption “UNDERWRITING,” the sentence expressly stated to be provided by the Underwriters for inclusion therein, as to which no view need be expressed) [do/does] not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(o) If the [Preliminary Official Statement or the] Official Statement [are/is] supplemented or amended pursuant to subsection (p) of this section 7, the City agrees that, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such section) at all times during the period from the date of this Contract of Purchase to and including the date which is 25 days after the end of the underwriting period (as determined in accordance with Section 17 hereof), [the Preliminary Official Statement or] the Official Statement, as so supplemented or amended, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading (other than the information relating to DTC and the book-entry system, under the caption “UNDERWRITING,” the sentence expressly stated to be provided by the Underwriters for inclusion therein, [and with respect to the Preliminary Official Statement, information permitted to be omitted pursuant to Rule 15c2-12,] as to which no view need be expressed).

(p) If between the date of this Contract of Purchase and that date which is 25 days after the “end of the underwriting period” (as determined in accordance with Section 17 hereof) any event shall occur or be discovered that would cause [the Preliminary Official Statement or] the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, the City shall notify the Underwriters of any such event of which it has knowledge and, if in the reasonable opinion of the Underwriters such event requires the preparation and publication of a supplement or amendment [to the Preliminary Official Statement or] the Official Statement [(as the case may be)], the City shall, at its expense, prepare and furnish to the Underwriters a reasonable number of copies of a supplement or amendment to [the Preliminary Official Statement or] the Official Statement [(as the case may be)] in form and substance reasonably acceptable to the Underwriters.

(q) The City will refrain from taking any action, or permitting any action to be taken, with regard to which the City may exercise control, that results in the loss of the tax-exempt status of the interest on the Series 2023-A Bonds.

(r) Any certificate signed by any officer of the City and delivered to the Underwriters pursuant to the City Documents or any document contemplated thereby shall be deemed a representation and warranty by the City to the Underwriters as to the statements made therein.

(s) The City is not in payment default and at no time in the past ten years has been in payment default with respect to any SWR Revenue Fund obligations incurred by it of a character similar to the Series 2023-A Bonds.

(t) The financial statements of, and other financial information regarding the City incorporated by reference into Preliminary Official Statement and the Official Statement fairly present the financial position and results of operations with respect to the Solid Waste Resources Revenue Fund and the System as of the dates and for the periods therein set forth. The financial statements with respect to the Solid Waste Resources Revenue Fund and the System have been prepared in accordance with generally accepted accounting principles consistently applied, except as noted in the Preliminary Official Statement and the Official Statement. Except as disclosed in the Preliminary Official Statement and the Official Statement, there has not been any materially adverse change in the financial condition of the Solid Waste Resources Revenue Fund and the System or in its operations since June 30, 2022 and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(u) The description of the application of the proceeds from the sale of the Series 2023-A Bonds contained in the Official Statement is true, accurate and complete in all material respects.

(v) During the last five years, the City has not failed to materially comply with any previous undertakings relating to continuing disclosure of information pursuant to Rule 15c2-12, except as noted in the Preliminary Official Statement and the Official Statement.

8. Closing. At 9:00 a.m., Los Angeles time, on June \_\_, 2023, or at such other time or on such later date as shall have been mutually agreed upon by the City and the Representative (the “Closing Date”), the City shall deliver to DTC in New York, New York, on behalf of the Underwriters, the Series 2023-A Bonds, in definitive form duly executed by the City, and the Underwriters shall accept such delivery to DTC and shall pay the purchase price of the Series 2023-A Bonds as set forth in section 1(a) hereof, by delivering federal or other immediately available funds in the amount of \$\_\_\_\_\_ to the City. The City shall deliver to the Underwriters the other documents hereinafter

mentioned at the offices of Jones Hall, A Professional Law Corporation in San Francisco, California, or such other place as shall have been mutually agreed upon by the City and the Representative. Such payment and delivery is herein called the “Closing.” The Series 2023-A Bonds shall be prepared in fully registered form without coupons, in authorized denominations shall bear CUSIP numbers and shall be registered in the name of “Cede & Co.,” as nominee of DTC; there shall be one (1) bond for each maturity of the Series 2023-A Bonds (and, if Series 2023-A Bonds of the same maturity bear interest at different rates, for each Series 2023-A Bond of such maturity bearing interest at a different rate) and the Series 2023-A Bonds shall be made available for inspection by the Underwriters at least one business day prior to the Closing.

9. Closing Conditions. The Underwriters have entered into this Contract of Purchase in reliance upon the representations of the City contained herein and the performance by the City of its respective obligations hereunder both as of the date hereof and as of the Closing Date. The Underwriters’ obligations under this Contract of Purchase shall be conditioned upon the performance by the City of its obligations to be performed hereunder and under the other documents and instruments delivered in connection with the execution and delivery of the Series 2023-A Bonds and shall also be subject to the following further conditions:

(a) The representations of the City contained herein shall be true, complete and correct in all material respects (except to the extent already qualified by materiality, in which case such representations and warranties shall be true in all respects) on the date hereof and true, complete and correct in all material respects on the date of the Closing.

(b) At the time of the Closing (i) the City Documents (other than the Amended and Restated Trust Agreement) and the Original Trust Agreement shall be in full force and effect in accordance with their terms and shall not have been amended, modified or supplemented and the Preliminary Official Statement and the Official Statement shall not have been supplemented or amended, except in each case as may have been agreed to by the Representative, and (ii) the City shall perform or have performed its obligations under such City Documents and the Original Trust Agreement which are required to be performed at or prior to the Closing.

(c) At or prior to the Closing, the Underwriters shall receive the following documents:

(1) The Preliminary Official Statement and the Official Statement and each supplement or amendment, if any, thereto, executed on behalf of the City by an Authorized City Representative;

(2) Certified copies of [the Original Resolutions,] the Series 2023-A Bonds Resolution, the Fund Ordinance and the Original Trust Agreement, and executed copies of the Fourteenth Supplemental Trust Agreement, the Amended and Restated Trust Agreement, the Continuing Disclosure Certificate and a certificate as to arbitrage in connection with the issuance of the Series 2023-A Bonds, in form and substance reasonably satisfactory to Co-Bond Counsel and the City, executed on behalf of the City by an Authorized City Representative;

(3) The opinions of Jones Hall, A Professional Law Corporation and Alexis S. M. Chiu, Esq. (together, “Co-Bond Counsel”), dated the Closing Date, in substantially the form attached to the Official Statement as Appendix C, together with a letter, dated the Closing Date, from such Co-Bond Counsel addressed to the Underwriters stating that the Underwriters may rely on such opinions as though they were addressed to them;

(4) The opinions of Co-Bond Counsel, dated the Closing Date and addressed to the Underwriters, in substantially the form set forth in Exhibit A hereto;

(5) An opinion of the City Attorney, dated the date of the Closing and addressed to the Underwriters, in substantially the form set forth in Exhibit C hereto;

(6) A certificate of an Authorized City Representative, dated the Closing Date, to the effect that each of the representations set forth in section 7 of this Contract of Purchase is true, accurate and complete in all material respects as of the Closing and each of the agreements of the City, as set forth in this Contract of Purchase to be complied with at or prior to the Closing, has been complied with in all material respects;

(7) Evidence reasonably satisfactory to the Underwriters that, as of the Closing Date, the rating on the Series 2023-A Bonds are “\_\_\_” by Moody’s Investors Service, Inc. and “\_\_\_” by Fitch Ratings;

(8) The opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Disclosure Counsel, dated the Closing Date in substantially the form attached hereto as Exhibit B addressed to the City and accompanied by a reliance letter from Disclosure Counsel to the effect that such opinion may be relied upon by the Underwriters to the same effect as if such opinion were addressed to them;

(9) The opinion of Norton Rose Fulbright US LLP, Underwriters’ Counsel, dated the Closing Date and addressed to the Underwriters, in form and substance satisfactory to the Underwriters;

(10) An opinion of counsel to the Trustee, addressed to the City and the Underwriters and dated the Closing Date, in form and substance satisfactory to the Underwriter and to Co-Bond Counsel;

(11) A certificate, dated the Closing Date, signed by a duly authorized official of the Trustee, in form and substance satisfactory to the Underwriters and Co-Bond Counsel, and an incumbency certificate of the Trustee; and

(12) Such additional legal opinions, certificates, instruments and other documents as the Underwriters, Disclosure or Co-Bond Counsel may reasonably deem necessary to evidence the due execution and delivery of the Series 2023-A Bonds, the truth and accuracy as of the time of the Closing of the City’s representations contained in section 7 hereof and performance in all material respects by the City at or prior to the time of the Closing of all agreements then to be performed and all conditions then to be satisfied by the City pursuant to the City Documents and the Original Trust Agreement.

The opinions and certificates and other material referred to above shall be in form and substance reasonably satisfactory to the Representative.

10. Termination. The Representative shall have the right to terminate the Underwriters’ obligations under this Contract of Purchase to purchase, to accept delivery of and to pay for the Series 2023-A Bonds by notifying the City of the Underwriters’ election to do so if, after the execution hereof and prior to the Closing:

(a) the marketability of the Series 2023-A Bonds or the market price thereof, in the reasonable opinion of the Representative (after consultation with the City), has been materially



adversely affected by (i) an amendment to the Constitution of the United States, (ii) any legislation (A) enacted by the United States or the State of California, (B) recommended to the Congress or, except as disclosed in the Preliminary Official Statement and the Official Statement, otherwise endorsed for passage, by press release, other form of notice or otherwise, by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or (C) presented as an option for consideration by either such Committee, by the staff of such Committee or by the staff of the Joint Committee on Taxation of the United States Congress, or favorably reported for passage to either House of the Congress by any Committee of such House or by a Conference Committee of both Houses to which such legislation has been referred for consideration, or (iii) any decision of any court of the United States or by any ruling or regulation (final, temporary or proposed) on behalf of the Treasury Department of the United States, the Internal Revenue Service or any other authority of the United States or any comparable legislative, judicial or administrative development affecting the federal or state tax status of the City, its property or income, or the federal or state income tax treatment of interest on its obligations, including the Series 2023-A Bonds;

(b) there shall have occurred the outbreak or escalation of hostilities involving the United States or a national or international calamity or crisis, or the declaration by the United States of a national emergency or war, [or any other calamity or crisis in the financial markets of the United States or elsewhere,] which in the reasonable judgment of the Representative (after consultation with the City) have had a materially adverse effect on the marketability of the Series 2023-A Bonds or the market price thereof;

(c) there shall have occurred the declaration of a general banking moratorium by any authority of the United States, the State of New York or the State of California or a major financial crisis or material disruption in commercial banking or securities settlement or clearance services shall have occurred which, in the reasonable opinion of the Representative (after consultation with the City), materially adversely affects the marketability of the Series 2023-A Bonds or the market price thereof;

(d) there shall have been any downgrading, suspension or withdrawal, or any official statement as to a possible downgrading, suspension or withdrawal of any underlying rating on bonds secured by the Revenues by any rating service which has rated the Series 2023-A Bonds;

(e) a general suspension of trading shall have occurred, minimum or maximum prices for trading shall have been fixed and be in force or maximum ranges or prices for securities shall have been required and be in force on the New York Stock Exchange or other national stock exchange whether by virtue of a determination by that Exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction;

(f) an event described in subsection (p) of section 7 shall have occurred or be discovered which in the reasonable opinion of the Representative (after consultation with the City) requires the preparation and publication of a supplement or amendment to the Preliminary Official Statement or the Official Statement, and, in such event, (i) the City refuses to permit the Preliminary Official Statement or the Official Statement to be supplemented to supply such statement or information in a manner satisfactory to the Representative or (ii) the effect of the Preliminary Official Statement or the Official Statement as so supplemented is, in the reasonable judgment of the Representative (after consultation with the City), to materially adversely affect the market price or marketability of the Series 2023-A Bonds or the ability of the Underwriters to enforce contracts for the sale of the Series 2023-A Bonds;

(g) a tentative decision with respect to legislation shall be favorably reported by a committee of the House of Representatives or the Senate of the Congress of the United States or legislation shall be introduced, by amendment or otherwise, in, or be enacted by, the House of Representatives or the Senate, or a decision by a court of the United States, or action (including a stop order) shall be taken or a regulation shall be issued by the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject, the effect of which, in the opinion of the Representative, could be that (i) the Series 2023-A Bonds are not, or may not be, exempt from the registration, qualification or other similar requirements of the Securities Act of 1933, as amended (the "Securities Act"); (ii) the Original Trust Agreement, as supplemented by the Fourteenth Supplemental Trust Agreement is not, or may not be, exempt from the registration, qualification or other requirements of the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"); (iii) the Amended and Restated Trust Agreement when executed is not, or may not be, exempt from the registration, qualification or other requirements of the Trust Indenture Act; or (iv) the issuance, offering, or sale of obligations of the general character of the Series 2023-A Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities law as amended and then in effect;

(h) any state blue sky or securities commission or other governmental agency or body shall have withheld registration, exemption or clearance of the offering of the Series 2023-A Bonds, or issued a stop order or similar ruling relating thereto; or

(i) the marketability of the Series 2023-A Bonds or the market price thereof, in the reasonable opinion of the Representative (after consultation with the City), has been materially adversely affected by the New York Stock Exchange or other national securities exchange, or any governmental authority, shall have imposed additional material restrictions not in force as of the date hereof upon trading in securities generally or shall have imposed, as to any bonds or similar obligations, any material, restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriters.

#### 11. Expenses.

(a) The City shall pay any expenses incident to the performance of the City's obligations hereunder, including but not limited to the following: (i) the cost of the preparation, printing and delivery of the Series 2023-A Bonds; (ii) the fees for bond ratings; (iii) the cost of printing and distribution of the Preliminary Official Statement and the Official Statement; (iv) the fees and disbursements of Co-Bond Counsel; (v) the fees and disbursements of Disclosure Counsel; (vi) the fees and disbursements of any other engineers, accountants, attorneys, verification agent and other experts or consultants or advisors retained by the City; (vii) the expenses to qualify the Series 2023-A Bonds for sale under any Blue Sky Laws; and (viii) any other costs and disbursements incurred by the City in connection with the transaction. The City shall reimburse the Underwriters for expenses (included in the expense component of the Underwriters' spread) incurred on behalf of the City's employees which are incidental to implementing this Contract of Purchase, including, but not limited to, meals, transportation and lodging of those employees.

(b) The Underwriters shall pay their own expenses including but not limited to the fees and disbursements of any attorneys retained by the Underwriters. The Underwriters are required to pay fees to the California Debt and Investment Advisory Commission in connection with the sale of the Series 2023-A Bonds. Notwithstanding that such fees are solely the legal obligation of the Underwriters, the City agrees to reimburse the Underwriters for such fees through inclusion in the Underwriters' discount.

12. Notices. Any notice or other communication to be given to the City under this Contract of Purchase (other than the acceptance hereof as specified in the first paragraph hereof) may be given by giving the same in writing to the 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; and any notice or other communication to be given to the Underwriters under this Contract of Purchase may be given by delivering the same in writing to J.P. Morgan Securities LLC at 560 Mission Street, 3rd Floor, San Francisco, CA 94105, Attention: Taylor Hart.

13. Governing Law; Venue. This Contract of Purchase was made and entered into in the City and shall be governed by, interpreted and enforced in accordance with the laws of the State of California and the City, including any applicable statute of limitation, without regard to conflict of law principles. All litigation arising out of, or relating to this Contract of Purchase, shall be brought in a State or Federal court in the County of Los Angeles in the State of California. The parties irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of forum non conveniens.

14. Parties in Interest. This Contract of Purchase when executed by the City shall constitute the entire agreement between the City and the Underwriters and is made solely for the benefit of the City and the Underwriters (including the successors or permitted assigns of any of the Underwriters but does not include any purchasers of the Series 2023-A Bonds from the Underwriters). No other person shall acquire or have any right hereunder or by virtue hereof. All of the representations (as of the date such representations were made) of the City contained in this Contract of Purchase shall remain operative and in full force and effect regardless of any investigation made by or on behalf of any of the Underwriters. This Contract of Purchase may not be assigned by any party without the written consent of the other party.

15. Effective Date. This Contract of Purchase shall be effective upon the execution hereof by the Representative, on behalf of the Underwriters, and the City.

16. Headings. The headings of the sections of this Contract of Purchase are inserted for convenience only and shall not be deemed to be a part hereof.

17. End of Underwriting Period. The term “end of the underwriting period” referred to in sections 7(o) and (p) of this Contract of Purchase shall mean the later of such time as (i) the City delivers the Series 2023-A Bonds to the Underwriters or (ii) the Underwriters do not retain an unsold balance of the Series 2023-A Bonds for sale to the public. Unless the Underwriters give notice to the contrary, the end of the underwriting period shall be deemed to be the Closing Date. Any notice delivered pursuant to this section 17 shall be delivered in writing to the City at or prior to the Closing Date, and shall specify a date, other than the Closing Date (or such other date specified by notice delivered pursuant to this section 17), to be deemed the end of the underwriting period.

18. Representation by Counsel. Each party hereto represents and acknowledges that it has been represented by competent counsel in connection with the negotiation and execution of this Contract of Purchase, and has been fully advised by said counsel with respect to its rights and obligations hereunder.

19. Representations, Warranties and Agreements to Survive Delivery. The representations, warranties, indemnities, agreements and other statements of the City and the Underwriters or their officers or partners set forth in, or made pursuant to, this Contract of Purchase will remain operative and in full force and effect regardless of any investigation made by or on behalf

of the City or the Underwriters or any controlling person and will survive delivery of and payment for the Series 2023-A Bonds.

20. Counterparts. This Contract of Purchase may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. The parties further agree that facsimile signatures or signatures scanned into PDF format (or signatures in another electronic format designated by the City) and sent by e-mail shall be deemed original signatures.

21. City Standard Provisions. Each of the Underwriters agrees that it will comply with the Standard Provisions for City Contracts attached hereto as Exhibit E.

22. Iran Contracting Act of 2010. In accordance with California Public Contract Code Sections 2200-2208, all bidders submitting proposals for, entering into, or renewing contracts with the City of Los Angeles for goods and services estimated at \$1,000,000 or more are required to complete, sign, and submit the "Iran Contracting Act of 2010 Compliance Affidavit." Each of the Underwriters shall complete, sign, and submit the "Iran Contracting Act of 2010 Compliance Affidavit" prior to the date of the execution of this Contract of Purchase.

**[Signatures appear on next page.]**

Very truly yours,

J.P. MORGAN SECURITIES LLC  
Samuel A. Ramirez & Co., Inc.  
Cabrera Capital Markets, LLC  
Jefferies LLC

By: \_\_\_\_\_  
J.P. MORGAN SECURITIES LLC,  
as representative of the Underwriters

Agreed and Accepted:

This \_\_ day of June, 2023

CITY OF LOS ANGELES

By: \_\_\_\_\_  
Name: Benjamin Ceja  
Title: Assistant City Administrative Officer

APPROVED AS TO FORM

This \_\_ day of June, 2023

HYDEE FELDSTEIN SOTO  
City Attorney

By: \_\_\_\_\_  
Deputy City Attorney

**SCHEDULE I**

**Maturity Schedule**

\$ \_\_\_\_\_  
**City of Los Angeles Solid Waste Resources Revenue Bonds, Series 2023-A**

<b>Maturity (February 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>
	\$	%	%	

\$ \_\_\_\_\_ % Term Bonds due February 1, 20\_\_ \* Yield: \_\_\_\_\_ % Price \_\_\_\_\_<sup>c</sup>

<sup>c</sup> Priced to par call on February 1, 20\_\_.

\* All of the maturities are 10% Test Maturities.

**Redemption Provisions**

**Redemption of the Series 2023-A Bonds**

***Optional Redemption of Series 2023-A Bonds.*** The Series 2023-A Bonds maturing on or after February 1, 20\_\_ are subject to redemption at the option of the City, on or after February 1, 20\_\_, in whole or in part on any date, from any moneys that may be provided for such purpose. The Series 2023-A Bonds so redeemed shall be redeemed at a redemption price equal to the principal amount of such Series 2023-A Bonds, without premium, plus accrued interest to the date fixed for redemption.

***Mandatory Sinking Fund Redemption.*** The Series 2023-A Bonds with a stated maturity date of February 1, 20\_\_ are subject to mandatory sinking fund redemption prior to maturity, commencing on February 1, 20\_\_, and on each February 1 thereafter until maturity, in accordance with the terms of the following mandatory sinking fund redemption schedule (subject to adjustment in the event of an optional redemption of the Series 2023-A Bonds, as provided in the Fourteenth Supplemental Trust Agreement):

**Series 2023-A Term Bonds Maturing February 1, 20\_\_**

<b>Redemption Date</b> <b>(February 1)</b>	<b>Principal Amount</b>
	\$

(maturity)

## EXHIBIT A

### FORM OF SUPPLEMENTAL OPINION

[Closing Date]

City of Los Angeles  
Los Angeles, California

J.P. Morgan Securities LLC  
as Representative of the Underwriters  
Los Angeles, California

SUPPLEMENTAL OPINION: \$[PAR] City of Los Angeles Solid Waste Resources Revenue Bonds,  
Series 2023-A

Ladies and Gentlemen:

We have acted as co-bond counsel to the City of Los Angeles (the “City”) in connection with the issuance by the City of its \$[PAR] City of Los Angeles Solid Waste Resources Revenue Bonds, Series 2023-A (the “Series 2023-A Bonds”) under the Charter of the City, Ordinance No. 174129 adopted July 24, 2001, codified at Sections 11.27.50 through 11.27.58 of Division 11, Chapter 1, Article 6.4 of the Administrative Code of the City, and the Master Trust Agreement, dated as of September 1, 2001 (as previously amended from time to time, the “Original Master Trust Agreement”), by and between the City and U.S. Bank Trust Company, National Association, as successor trustee (the “Trustee”), and as supplemented from time to time, including as supplemented by the Fourteenth Supplemental Trust Agreement, dated as of June 1, 2023 (the “Fourteenth Supplemental Trust Agreement”). Immediately after the issuance of the Series 2023-A Bonds, the Original Master Trust Agreement was amended and restated pursuant to an Amended and Restated Master Trust Agreement dated as of June 1, 2023 (the “Amended and Restated Master Trust Agreement”), by and between the City and the Trustee.

Capitalized terms not defined herein shall have those meanings ascribed thereto in the Contract of Purchase, dated \_\_\_\_\_, 2023 (the “Purchase Contract”), by J.P. Morgan Securities LLC, on behalf of itself and as the representative (the “Representative”) of Samuel A. Ramirez & Co. Inc., Cabrera Capital Markets, LLC and Jefferies LLC (collectively, with the Representative, the “Underwriters”), and accepted by the City. This letter is being delivered in our capacity as co-bond counsel to the City and not as counsel to the other addressees hereof.

In our capacity as co-bond counsel, we have examined the Preliminary Official Statement, dated \_\_\_\_\_, 2023 relating to the Series 2023-A Bonds (the “Preliminary Official Statement”), the Official Statement, dated \_\_\_\_\_, 2023 relating to the Series 2023-A Bonds (the “Official Statement”), the Original Master Trust Agreement, the Fourteenth Supplemental Trust Agreement, the Amended and Restated Master Trust Agreement, the Purchase Contract, and the Continuing Disclosure Certificate executed and delivered by the City in connection with the issuance of the Series 2023-A Bonds, and originals, or copies certified or otherwise identified to our satisfaction as being true copies



of the originals, of such proceedings of the City, certificates of the City, and others, and such other documents as we have deemed necessary for the purposes of this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the City contained in the Purchase Contract and the certified proceedings, and upon other certifications furnished to us, without undertaking to verify the same by independent investigation.

Based upon our examination, we are of the opinion, under existing law, as follows:

1. The Purchase Contract and the Continuing Disclosure Certificate have been duly authorized, executed and delivered by the City, and, assuming that such agreements constitute the valid and binding obligation of the other parties thereto, constitute the legally valid and binding obligations of the City enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditors' rights or remedies, the exercise of judicial discretion in appropriate cases, limitations on legal remedies imposed on actions against public entities, laws relating to conflicts of interest, and general principles of equity (regardless of whether such enforceability is considered in equity or at law).

2. The Series 2023-A Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Original Master Trust Agreement, the Fourteenth Supplemental Trust Agreement and the Amended and Restated Master Trust Agreement are each exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

3. The statements contained in the Preliminary Official Statement and the Official Statement under the captions "THE SERIES 2023-A BONDS" "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023-A BONDS," and "TAX MATTERS" and in Appendix C thereof (except that no opinion or belief need be expressed as to any financial or statistical data contained in the Official Statement), insofar as such statements expressly purport to summarize certain provisions of the Series 2023-A Bonds, the Amended and Restated Master Trust Agreement and the exemption from federal and State income taxation of interest on the Bonds, present a fair and accurate summary of such provisions.

This opinion letter is solely for your benefit in connection with the transaction described in the first paragraph of this letter and may not be relied upon, used, circulated, quoted or referred to, nor any copies hereof be delivered to, any other person without our prior written approval. Moreover, our opinions are not a guarantee of a particular result, and are not binding on any court; rather, our opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations, covenants and opinions referenced above. We disclaim any obligation to supplement this letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in the law that may hereafter occur, and our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

**EXHIBIT B**

**FORM OF OPINION OF DISCLOSURE COUNSEL**

[Closing Date]

City of Los Angeles, California  
Los Angeles, California

J.P. Morgan Securities, LLC,  
as Representative of the Underwriters  
San Francisco, California

Re: \$ \_\_\_\_\_ Solid Waste Resources Revenue Bonds, Series 2023-A

Ladies and Gentlemen:

We have acted as Disclosure Counsel to the City of Los Angeles (the “City”) in connection with the issuance of \$ \_\_\_\_\_ Solid Waste Resources Revenue Bonds, Series 2023-A (the “Bonds”). The Bonds are being issued pursuant under a Master Trust Agreement, dated as of September 1, 2001 (as previously amended from time to time, the “Original Master Trust Agreement”), by and between the City and U.S. Bank Trust Company, National Association, as successor trustee (the “Trustee”), and as supplemented by a Fourteenth Supplemental Trust Agreement, dated as of June 1, 2023 (the “Fourteenth Supplemental Trust Agreement”; and, together with the Original Master Trust Agreement, the “Original Trust Agreement”). Immediately after the issuance of the Series 2023-A Bonds, the Original Master Trust Agreement will be amended and restated by an Amended and Restated Master Trust Agreement dated as of June 1, 2023 (the “Amended and Restated Master Trust Agreement”), by and between the City and the Trustee. The Bonds are being sold to the Underwriters pursuant to a Bond Purchase Agreement dated as of \_\_\_\_\_, 2023, by and between the City and J.P. Morgan Securities, LLC, as Representative of the Underwriters listed therein (the “Purchase Agreement”). Capitalized terms not otherwise defined in this letter shall have the meanings ascribed thereto in the Official Statement relating to the Bonds dated June \_\_, 2023 (the “Official Statement”).

We have examined the record of proceedings submitted to us relative to the sale and issuance of the Bonds and originals or copies certified or otherwise identified to our satisfaction of (i) the Original Trust Agreement and the Amended and Restated Master Trust Agreement, (ii) the City’s Continuing Disclosure Certificate dated June \_\_, 2023, (iii) the Preliminary Official Statement for the Bonds dated June \_\_, 2023 (the “Preliminary Official Statement”), (iv) the Official Statement for the Bonds dated June \_\_, 2023 (the “Official Statement”), and (v) certain documents, certificates, opinions of counsel, instructions and records delivered in connection with the issuance of the Bonds.

We have assumed, but not independently verified, that the signatures on all documents, letters, opinions, certificates and instructions which we have examined are genuine, that all documents submitted to us are authentic and were duly and properly executed by the parties thereto and that all representations made and opinions expressed in the documents that we have reviewed are true and accurate.

We are not passing upon and have not undertaken to determine independently or to verify the accuracy or completeness of the statements contained in the Preliminary Official Statement or the

Official Statement and are, therefore, unable to make any representation to you in that regard. Based on our participation in conferences with the City, members of the City Attorney's office, Co-Bond Counsel, the City's Municipal Advisor, the Underwriters, counsel to the Underwriters, and others, during which conferences the content of the Preliminary Official Statement, the Official Statement, and related matters were discussed, our reliance on the oral and written statements of the City and others, our review of and reliance upon the documents, certificates, instructions and records and the opinions of counsel described above and our understanding of applicable law, and subject to the limitations on our role as Disclosure Counsel to the City, we advise you as a matter of fact but not opinion that no information has come to the attention of the attorneys in the firm representing the City as Disclosure Counsel on this matter which caused us to believe that: (i) the Preliminary Official Statement as of its date contained any untrue statement of a material fact, or as of its date omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect (except that we express no view with respect to any CUSIP numbers, financial, accounting, statistical, economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, or as to Appendices A, B-1, B-2, C, or E to the Preliminary Official Statement, information concerning DTC and its book-entry system, the City's compliance with its prior continuing disclosure undertakings, or information permitted to be omitted from the Preliminary Official Statement pursuant to Securities and Exchange Commission Rule 15c2-12), or (ii) the Official Statement as of its date contained, or as of the date hereof contains, any untrue statement of a material fact, or as of its date omitted, or as of the date hereof omits, to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect (except that we express no view with respect to any CUSIP numbers, financial, accounting, statistical, economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, or as to Appendices A, B-1, B-2, C, or E to the Official Statement, information concerning DTC and its book-entry system, or the City's compliance with its prior continuing disclosure undertakings).

By acceptance of this letter, you acknowledge that the preceding paragraph is neither a legal opinion nor a guarantee regarding the Preliminary Official Statement or the Official Statement; rather it is a statement of negative assurance regarding factual information that did not come to the attention of attorneys in our firm working on this matter during the limited activities that we performed as Disclosure Counsel to the City. Further, in accepting this letter the City recognizes and acknowledges that (i) the scope of those activities performed by us were inherently limited and do not encompass all activities that the City may be responsible to undertake in preparing the Preliminary Official Statement and the Official Statement, (ii) those activities performed by us relied substantially on representations, warranties, certifications and opinions made by representatives of the City and others, and are otherwise subject to the matters set forth in this letter, and (iii) while such statements of negative assurance are customarily given to an underwriter of municipal bonds to assist them in discharging their responsibilities under federal securities laws, the responsibilities of the City under those laws may differ from those of the Underwriter in material respects, and the preceding paragraph may not serve the same purpose or provide the same utility to them as it would to the Underwriter. Our services did not include financial or other non-legal advice.

We advise you that, other than reviewing the various certificates and opinions regarding the Preliminary Official Statement and the Official Statement delivered in connection with the issuance of the Bonds, we have not taken any steps since the date of the Official Statement to verify the accuracy

of the statements contained in the Preliminary Official Statement as of its date or the Official Statement as of its date and the date hereof.

We call attention to the fact that the foregoing conclusions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions or events are taken (or not taken) or occur (or do not occur), and we expressly disclaim any responsibility to advise you as to events occurring after the date hereof with respect to the Bonds or other matters discussed in the Preliminary Official Statement or the Official Statement.

This letter is furnished by us as Disclosure Counsel to the City. No attorney-client relationship has existed or exists between our firm and the Underwriter in connection with the Bonds or by virtue of this letter.

This letter is delivered to the City as the issuer of the Bonds and the Underwriter (in its capacity as underwriter of the Bonds), is solely for the benefit of the City and the Underwriter, and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. We express no opinion herein with respect to the validity of the Bonds or the tax treatment of the interest with respect thereto or the compliance with, or applicability of, any "blue sky" laws of any state as they relate to the offer or sale of the Bonds. This letter is not intended to be relied upon by holders of the Bonds. Our engagement with respect to the Bonds terminates as of the date hereof.

Respectfully submitted,

**EXHIBIT C**

**FORM OF OPINION OF  
THE CITY ATTORNEY OF THE CITY OF LOS ANGELES**

[Closing Date]

City of Los Angeles  
Los Angeles, California

J.P. Morgan Securities, LLC,  
as Representative of the Underwriters  
San Francisco, California

§[Par]  
City of Los Angeles  
Solid Waste Resources Revenue Bonds, Series 2023-A

Ladies and Gentlemen:

This office has served as counsel to the City of Los Angeles (the "City") and has participated in the proceedings relating to the issuance of the §[par] City of Los Angeles Solid Waste Resources Revenue Bonds, Series 2023-A (the "Series 2023-A Bonds"). The Series 2023-A Bonds are being issued by the City pursuant to the Charter of the City of Los Angeles (the "Charter"), Article 6.4 of Chapter 1 of Division 11 of the Administrative Code of the City (the "Procedural Ordinance"), and the Master Trust Agreement, dated as of September 1, 2001 (as previously amended from time to time, the "Original Master Trust Agreement"), by and between the City and U.S. Bank Trust Company, National Association, as successor trustee (the "Trustee"), and as supplemented from time to time, including as supplemented by the Fourteenth Supplemental Trust Agreement, dated as of June 1, 2023 (the "Fourteenth Supplemental Trust Agreement"). Immediately after the issuance of the Series 2023-A Bonds, the Original Master Trust Agreement was amended and restated, in accordance with the Original Master Trust Agreement, pursuant to an Amended and Restated Master Trust Agreement, dated as of June 1, 2023 (the "Amended and Restated Master Trust Agreement"), by and between the City and the Trustee.

This letter is being delivered pursuant to Section 9(c)(5) of the Contract of Purchase, dated June \_\_, 2023 (the "Contract of Purchase"), by and between the City and J.P. Morgan Securities LLC, as representative of itself and the underwriters named therein (the "Underwriters"). Capitalized terms not otherwise defined herein shall have the respective meanings ascribed thereto in the Amended and Restated Master Trust Agreement or, if not defined therein, in the Contract of Purchase.

In the course of the proceedings relating to the issuance of the Series 2023-A Bonds and in connection with the delivery of the opinions stated in this letter, we have examined originals or copies of the following:

- (a) The Charter;
- (b) The Procedural Ordinance;

- (c) The Original Master Trust Agreement;
- (d) The Fourteenth Supplemental Trust Agreement;
- (e) The Amended and Restated Master Trust Agreement;
- (f) The resolution, adopted by the City Council of the City (the "City Council") on \_\_\_\_\_, 2023-A, authorizing the issuance of the Series 2023-A Bonds and other related matters (the "Resolution");
- (g) Ordinance No. \_\_\_\_\_, adopted by the City Council on \_\_\_\_\_, 2023 (the "Ordinance");
- (h) The Contract of Purchase;
- (i) The Continuing Disclosure Certificate, dated \_\_\_\_, 2023 (the "Continuing Disclosure Certificate"), executed by the City;
- (j) The Official Statement dated \_\_\_\_, 2023 relating to the Series 2023-A Bonds (the "Official Statement")
- (k) Closing Certificate of the City of Los Angeles, dated of even date herewith and executed by the Assistant City Administrative Officer and a Deputy City Clerk; and
- (l) Such other records, documents, agreements, instruments, opinions, certificates and other matters as we deemed relevant, necessary or appropriate to render the opinions set forth below.

As to relevant factual matters, we have relied upon without undertaking to verify independently, among other things, the City's factual representations contained in the records, documents, agreements, instruments, certificates, including the certified proceedings and certifications of City officials and others furnished to us in connection with the Series 2023-A Bonds and related matters, and other matters described above. We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies. The Fourteenth Supplemental Trust Agreement, the Amended and Restated Trust Agreement, the Contract of Purchase, and the Continuing Disclosure Certificate are collectively referred to herein as the "City Documents."

From such examination, on the basis of our reliance upon the assumptions in this letter and our consideration of those questions of existing law we considered relevant, and subject to the limitations and qualifications in this letter, as of the date hereof, we are of the following opinions:

1. The City is a charter city and municipal corporation of the State of California duly organized and existing under the Constitution of the State of California and the Charter.

2. The Resolution and the Ordinance were each duly adopted by the City Council at a meeting which was held pursuant to the terms of the Charter and all other applicable law and with all required notice having been given and at which a quorum was present at the time of adoption of the Resolution and Ordinance. The Resolution and the Ordinance have not been modified, amended or rescinded and are in full force and effect on and as of the date hereof.

3. The issuance and delivery of the Series 2023-A Bonds has been duly authorized by the City.

4. The City Documents and the Official Statement have been duly authorized, executed and delivered by the City.

5. To the best of our knowledge, the adoption of the Resolution and the Ordinance and the execution and delivery of the City Documents and the Official Statement by the City do not, in any material respect (a) violate any State of California constitutional provision, or any applicable judgment, order or regulation applicable to the City or any Charter provision, law or ordinance of the City that we have, in the exercise of customary professional diligence, recognized as applicable to the City and the transactions contemplated by the City Documents, and (b) conflict with or result in a breach of any of the provisions of or constitute a default under any indenture, agreement or other instrument to which the City is a party or by which it is bound and relating to the System, and with respect to which, where such violation, conflict, breach or default would materially or adversely affect the ability of the City to pay principal and interest on the Series 2023-A Bonds.

6. To the best of our knowledge, and except as otherwise set forth in the Official Statement, there is no action, suit or proceeding before or by any court, public board or body pending (with service of process having been given to the City) or threatened against the City wherein an unfavorable decision, ruling or finding would (a) question the creation, organization, existence or powers of the City or the titles of the Authorized City Representatives (as defined in the Amended and Restated Trust Agreement) to their respective offices, (b) seek to restrain or enjoin the issuance or delivery of the Series 2023-A Bonds, (c) in any way contest the validity of the Series 2023-A Bonds, the Original Master Trust Agreement, the Amended and Restated Master Trust Agreement, the Original Resolutions, the Resolution, the Ordinance or any of the City Documents, (d) contest the power of the City to issue the Series 2023-A Bonds, or (e) have a material adverse effect on the City's ability to make payment on the Series 2023-A Bonds from Revenues.

We express no opinion on the enforceability of the Original Master Trust Agreement, the Fourteenth Supplemental Trust Agreement, the Amended and Restated Master Trust Agreement, the Series 2023-A Bonds or the City Documents against the City.

The law covered by the opinions expressed herein is limited to the present law of the State of California. We express no opinion as to the laws of any other jurisdiction, and we express no opinion as to any Blue Sky laws, federal and state securities laws and tax laws. Furthermore, the imposition of fees and charges by the City relating to the System may be subject to the provisions of Articles XIIC and XIID of the Constitution of the State of California.

The matters set forth in paragraph 6 are factual confirmations and not legal opinions.

The opinions set forth herein may be affected by actions taken or omitted by the City or other parties, or by events, facts or circumstances occurring after the date hereof. This letter speaks only as of the date hereof and we do not undertake, and expressly disclaim, any obligation to amend or supplement this letter as events, facts and circumstances come to our attention, or changes in law occur, after the date hereof which could affect the opinions set forth herein.

The opinions expressed herein are matters of professional judgment and are not a guarantee of result. This opinion is expressly limited to the matters set forth above, and we render no opinion,

whether by implication or otherwise, as to any other matters. This letter is given in an official capacity only and not personally, and no personal liability shall derive therefrom.

This letter is for the sole benefit of the addressees hereof and is not to be used, circulated, quoted or otherwise referred to for any purpose; provided, however, that it may be included in the transcript of record of proceedings relating to the Series 2023-A Bonds. No other person may rely on this letter without our prior written consent. Other than the City, no attorney-client relationship has existed or exists between our office and the addressees of this letter in connection with the Series 2023-A Bonds or by virtue of this letter.

Very truly yours,

HYDEE FELDSTEIN SOTO,  
City Attorney

By: \_\_\_\_\_  
Amy Pham  
Deputy City Attorney



**EXHIBIT D**

\$ \_\_\_\_\_<sup>\*</sup>  
**CITY OF LOS ANGELES**  
**SOLID WASTE RESOURCES REVENUE BONDS,**  
**SERIES 2023-A**

**FORM OF ISSUE PRICE CERTIFICATE OF THE REPRESENTATIVE**

The undersigned, on behalf of J.P. Morgan Securities LLC (the “Representative”), on behalf of themselves and Samuel A. Ramirez & Co., Inc., Cabrera Capital Markets, LLC, and Jefferies LLC (together, the “Underwriting Group”), hereby certifies as set forth below with respect to the sale and issuance of the \$ \_\_\_\_\_ City of Los Angeles Solid Waste Resources Revenue Bonds, Series 2023-A (the “Series 2023-A Bonds”). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Certificate as to Arbitrage relating to the Series 2023-A Bonds, to which this certificate is attached.

1. ***Sale of the 10% Maturities.*** As of the date of this certificate, for each Maturity of the Series 2023-A Bonds, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A. All of the maturities are 10% Test Maturities. [Note to Co-Bond Counsel: If the hold-the-offering price rule will apply, JPMorgan will represent as to itself and its own distribution partners. The other underwriters would represent separately as to that rule.]

2. ***Defined Terms.***

(a) ***10% Test Maturities*** means those Maturities of the Series 2023-A Bonds listed in Schedule A hereto as the “10% Test Maturities.”

(b) ***Issuer*** means the City of Los Angeles.

(c) ***Maturity*** means Series 2023-A Bonds with the same credit and payment terms. Series 2023-A Bonds with different maturity dates, or Series 2023-A Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

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

(e) ***Sale Date*** means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2023-A Bonds. The Sale Date of the Series 2023-A Bonds is June \_\_, 2023.

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\* Preliminary; subject to change.

(f) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2023-A Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2023-A Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2023-A Bonds to the Public).

3. ***Other Certifications.***

(a) The aggregate of the Initial Offering Prices of the Series 2023-A Bonds is \$\_\_\_\_\_.

(b) We have provided the attached schedules, at the direction of Co-Bond Counsel, relating to the calculation of the arbitrage yield with respect to the Series 2023-A Bonds.

(c) We have provided the attached schedules, at the direction of Co-Bond Counsel, relating to the calculation of the weighted average maturity of the Series 2023-A Bonds.

We express no view regarding the legal sufficiency of any of the above computations or the correctness of any legal interpretation made by Co-Bond Counsel. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Certificate as to Arbitrage and with respect to compliance with the federal income tax rules affecting the Series 2023-A Bonds, and by Jones Hall, A Professional Law Corporation and Alexis S. M. Chiu, Esq. in connection with rendering their opinions that the interest on the Series 2023-A Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Series 2023-A Bonds. The representations set forth herein are not necessarily based on personal knowledge and, in certain cases, the undersigned is relying on representations made by the other members of the Underwriting Group.

J.P. MORGAN SECURITIES LLC, on behalf of  
itself and as Representative of the Underwriting  
Group

By: \_\_\_\_\_  
Authorized Representative

Dated: June \_\_, 2023

**SCHEDULE A**  
**SALE PRICES OF THE 10% TEST MATURITIES**

\$ \_\_\_\_\_  
**City of Los Angeles Solid Waste Resources Revenue Bonds, Series 2023-A**

<b>Maturity (February 1)*</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>
	\$	%	%	

\$ \_\_\_\_\_ % Term Bonds due February 1, 20\_\_ \* Yield: \_\_\_\_\_ % Price \_\_\_\_\_<sup>c</sup>

<sup>c</sup> Priced to par call on February 1, 20\_\_.

\* All of the maturities are 10% Test Maturities.

SCHEDULE B TO ISSUE PRICE CERTIFICATE

[ATTACH PRICING WIRE OR EQUIVALENT COMMUNICATION]

## EXHIBIT E

### Standard Provisions for City Contracts

Each Underwriter, on its own behalf and not on behalf of any other Underwriter, agrees to comply with the following requirements of the City of Los Angeles (the “City”) in connection with the Contract of Purchase by and between the City of Los Angeles (the “City”) and J.P. Morgan Securities LLC, as the Representative, dated June \_\_, 2023 (referred to in this Exhibit as the “Contract of Purchase”):

Section 1. Independent Contractor. Each Underwriter is an independent contractor and not an agent or employee of the City. Each Underwriter 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 Underwriters shall maintain all records, including records of financial transactions, pertaining to the performance of this Contract of Purchase, 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 or (2) the expiration or termination of this Contract of Purchase. The records will be subject to examination and audit by authorized City personnel or the City’s representatives at any time. The Underwriters shall provide any reports requested by the City regarding performance of this Contract of Purchase. Any subcontract entered into by any Underwriter for work to be performed under this Contract of Purchase must include an identical provision.

In lieu of retaining the records for the term as prescribed in this provision, the Underwriters 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 Contract of Purchase.

Section 3. Taxpayer Identification Number (“TIN”) and Withholding Taxes. The Representative 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 Contract of Purchase. Payments made under the Contract of Purchase 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 Underwriters 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 Underwriters to the City for use in the Preliminary Official Statement and the Official Statement under the heading “UNDERWRITING.”

Section 5. Insurance. During the term of this Contract of Purchase, each Underwriter 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 this Contract of

Purchase, and that it will expend every reasonable effort to keep such insurance or its equivalent in effect at all times during performance of the Contract of Purchase and for one (1) year after the termination of the Contract of Purchase. 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 Underwriters. The Underwriters warrant that the work performed under this Contract of Purchase shall be completed in a manner consistent with professional standards practiced among those firms within the Underwriters' 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 Contract of Purchase 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. Each Underwriter 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 Contract of Purchase, each Underwriter 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 Contract of Purchase by reference and will be known as the "Equal Employment Practices" provisions of this Contract of Purchase.
- C. The provisions of Section 10.8.4 of the LAAC are incorporated and made a part of this Contract of Purchase by reference and will be known as the "Affirmative Action Program" provisions of this Contract of Purchase.

Any subcontract entered into by any Underwriter for work to be performed under this Contract of Purchase must include an identical provision.

Section 8. Child Support Assignment Orders. Each Underwriter 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, each Underwriter (and any subcontractor providing services to the City under this Contract of Purchase) shall (1) fully comply with all State and Federal employment reporting requirements for each Underwriter's or the subcontractor's employees; (2) certify that the principal owner(s) of each Underwriter 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 Contract of Purchase.

Failure of any Underwriter 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 any Underwriter or applicable subcontractor to comply with any Wage and Earnings Assignment or Notices of Assignment applicable to them personally, shall constitute a default by such Underwriter under this Contract of Purchase. Failure of any Underwriter or applicable subcontractor or principal owner to cure the default within 90 days of the notice of default will subject this Contract of Purchase to termination for breach. Any subcontract entered into by any Underwriter for work to be performed under this Contract of Purchase must include an identical provision.

Section 9. Access and Accommodations.

Each Underwriter represents and certifies that:

- A. Each Underwriter 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. Each Underwriter 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. Each Underwriter 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 Contract of Purchase 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.

Each Underwriter understands that the City is relying upon these certifications and representations as a condition to funding this Contract of Purchase. Any subcontract entered into by each Underwriter for work to be performed under this Contract of Purchase must include an identical provision.

Section 10. Contractor Responsibility Ordinance. Each Underwriter 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 Contract of Purchase is valued at \$100,000 or more and requires approval by an elected City office, each Underwriter, their principals, and any subcontractors expected to receive at least \$100,000 for performance under this Contract of Purchase, 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 Contract of Purchase 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 Contract of Purchase is signed. Additionally, any Underwriter 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 Underwriter 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 Contract of Purchase:

“Notice Regarding Restrictions on Campaign Contributions and Fundraising in City Elections.

You are a subcontractor in connection with the Contract of Purchase, dated June \_\_, 2023 (the “Contract of Purchase”), by and between the City of Los Angeles (the “City”) and J.P. Morgan Securities LLC, as the Representative. 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 Contract of Purchase is signed. You are required to provide the names and contact information of your principals to the underwriting firm 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 Contract of Purchase and any other available legal remedies. Information about the restrictions may be found online at [ethics.lacity.org](http://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. Each Underwriter 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 any Underwriter for work to be performed under this Contract of Purchase must include an identical provision.

Section 13. COVID-19. Employees of each Underwriter and/or persons working on its behalf, including, but not limited to, subcontractors (collectively, “Contractor Personnel”), while interacting in person with City employees, contractors, volunteers or members of the public (collectively, “In-Person Services”) in order to perform services under this Contract of Purchase, must be fully vaccinated against the novel coronavirus 2019 (“COVID-19”) prior to performing such In-Person Services. “Fully vaccinated” means that 14 or more days have passed since Contractor Personnel have received the final dose of a two-dose COVID-19 vaccine series (Moderna or Pfizer-BioNTech) or a single dose of a one-dose COVID-19 vaccine (Johnson & Johnson/Janssen) and all booster doses recommended by the Centers for Disease Control and Prevention. Prior to assigning Contractor Personnel to perform In-Person Services, each Underwriter shall obtain proof that such Contractor Personnel have been fully vaccinated. Each Underwriter shall retain such proof for the document retention period set forth in this Contract of Purchase. Each Underwriter shall grant medical or religious exemptions (“Exemptions”) to



Contractor Personnel as required by law. If any Underwriter wishes to assign Contractor Personnel with Exemptions to perform In-Person Services, such Underwriter shall require such Contractor Personnel to undergo weekly COVID-19 testing, with the full cost of testing to be borne by the Underwriter. If Contractor Personnel test positive, they shall not be assigned to perform In-Person Services or, to the extent they have already been performing In-Person Services, shall be immediately removed from those assignments. Furthermore, to the extent permitted by law, each Underwriter shall as soon as practical notify City if Contractor Personnel performing In-Person Services (1) have tested positive for or have been diagnosed with COVID-19, (2) have been informed by a medical professional that they are likely to have COVID-19, or (3) meet the criteria for isolation under applicable government orders.

As to Exhibit E of this Contract of Purchase:

[UNDERWRITER]

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

Title: \_\_\_\_\_

## PRELIMINARY OFFICIAL STATEMENT DATED MAY \_\_, 2023

DAC Bond

NEW ISSUE--FULL BOOK-ENTRY ONLY

RATINGS: \_\_\_\_\_  
(See "RATINGS" herein)

*In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, and Alexis S. M. Chiu, Esq., Co-Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Series 2023-A Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Series 2023-A Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Co-Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS."*

## CITY OF LOS ANGELES

\$ \_\_\_\_\_\*

SOLID WASTE RESOURCES REVENUE BONDS,  
SERIES 2023-A**Dated: Date of Delivery****Due: February 1, as shown on inside cover page**

The \$ \_\_\_\_\_\* Solid Waste Resources Revenue Bonds, Series 2023-A (the "Series 2023-A Bonds"), are being issued by the City of Los Angeles, California (the "City"). The Series 2023-A Bonds are being issued to (a) finance the acquisition of (i) certain equipment, including vehicles and other items, and the installation thereof, if any, for the refuse collection and disposal system of the City (the "System"), including vehicles for the collection of bulky items from multi-family dwellings, and (ii) facilities, including the construction and renovation of real property and other capital improvements for the System; and (b) pay the costs of issuance of the Series 2023-A Bonds. See "PLAN OF FINANCE" herein. The Series 2023-A Bonds are authorized under the Charter of the City and Ordinance No. 174129 adopted on July 24, 2001, codified at Sections 11.27.50 through 11.27.58 of Division 11, Chapter 1, Article 6.4 of the Los Angeles Administrative Code, and are being issued under a Master Trust Agreement, dated as of September 1, 2001 (as previously amended from time to time, the "Original Master Trust Agreement"), by and between the City and U.S. Bank Trust Company, National Association, as successor trustee (the "Trustee"), and as supplemented by a Fourteenth Supplemental Trust Agreement, dated as of June 1, 2023 (the "Fourteenth Supplemental Trust Agreement"). Immediately after the issuance of the Series 2023-A Bonds, the Original Master Trust Agreement will be amended and restated by an Amended and Restated Master Trust Agreement dated as of June 1, 2023 (the "Amended and Restated Master Trust Agreement"), by and between the City and the Trustee. **Under the Fourteenth Supplemental Trust Agreement, each of the beneficial owners of the Series 2023-A Bonds is, by its purchase of the Series 2023-A Bonds, deemed to have consented in writing to the Amended and Restated Master Trust Agreement.** See "AMENDMENTS TO ORIGINAL MASTER TRUST AGREEMENT."

Interest on the Series 2023-A Bonds is payable semiannually on each February 1 and August 1 commencing [August] 1, 2023, until the maturity thereof. The Series 2023-A Bonds will be delivered in fully registered form and, when issued, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). The Series 2023-A Bonds will be in denominations of \$5,000 each or any integral multiple thereof. Beneficial owners of the Series 2023-A Bonds will not receive physical certificates representing the Series 2023-A Bonds purchased. Principal of and interest on the Series 2023-A Bonds will be paid by the Trustee to DTC or its nominee, Cede & Co., so long as DTC or Cede & Co. is the registered owner of the Series 2023-A Bonds. Disbursement of such payments to the beneficial owners of the Series 2023-A Bonds is the responsibility of DTC's Participants and Indirect Participants, as more fully described herein. See "THE SERIES 2023-A BONDS—General Terms" and APPENDIX E—"BOOK-ENTRY ONLY SYSTEM."

The Series 2023-A Bonds are subject to optional redemption prior to their maturity, as described herein. See "THE SERIES 2023-A BONDS—Redemption."

The Series 2023-A Bonds are special, limited obligations of the City and are payable from and secured solely by a pledge of and lien on, and security interest in the Revenues, moneys on deposit from time to time in the Solid Waste Resources Revenue Fund (the "SWR Revenue Fund"), and certain funds and accounts held by the Trustee under the Amended and Restated Master Trust Agreement as described herein. "Revenues" means (1) the Solid Waste Collection, Transfer, Recycling, Recovery of Waste Resources and Disposal Fee received by the SWR Revenue Fund after deduction

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\* Preliminary; subject to change.

of administrative charges by the Department of Water and Power of the City; (2) any other legally available income, rates, fees, charges and other moneys which the City designates by ordinance or resolution for deposit in the SWR Revenue Fund; and (3) the earnings on and income derived from the investment of the amounts set forth in clauses (1) and (2) above. The Amended and Restated Master Trust Agreement provides that all Revenues and all amounts on deposit in the SWR Revenue Fund are irrevocably pledged to the payment of the Bonds (defined below to include all Existing Bonds and Additional Bonds), and the Revenues may not be used during any month of any Fiscal Year (defined in the Amended and Restated Master Trust Agreement) for any other purpose if any of the transfers for (1) debt service for the Bonds, (2) replenishment of the Reserve Fund for any Outstanding Covered Bonds (defined herein), or (3) debt service for the Subordinated Obligations (if any) are delinquent; provided however that, subsequent to such monthly transfers, the City may apportion such sums for such purposes as may be permitted to be paid from the SWR Revenue Fund out of the Revenues and other amounts on deposit in the SWR Revenue Fund constituting surplus for such month. **The Series 2023-A Bonds will not be secured by the Reserve Fund.** See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

The Series 2023-A Bonds are payable from and secured by the Revenues and moneys on deposit in the SWR Revenue Fund on a parity with \$128,455,000 aggregate principal amount of bonds previously issued by the City (such currently outstanding Bonds, together with the Series 2023-A Bonds, are referred to herein as the “Existing Bonds”). The City may issue additional bonds and other indebtedness under the Amended and Restated Master Trust Agreement in the future on a parity with the Existing Bonds (“Additional Bonds”), but only in accordance with the provisions contained in the Amended and Restated Master Trust Agreement. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

THE SERIES 2023-A BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY AND ARE SECURED SOLELY BY AND PAYABLE FROM A PLEDGE OF THE REVENUES, MONEYS ON DEPOSIT FROM TIME TO TIME IN THE SWR REVENUE FUND, AND CERTAIN FUNDS AND ACCOUNTS HELD BY THE TRUSTEE UNDER THE AMENDED AND RESTATED MASTER TRUST AGREEMENT AS DESCRIBED HEREIN. THE SERIES 2023-A BONDS DO NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE SERIES 2023-A BONDS DO NOT CONSTITUTE A DEBT OR AN INDEBTEDNESS OF THE CITY, THE COUNTY OF LOS ANGELES, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS IN CONTRAVENTION OF THE CONSTITUTION OR STATUTES OF THE STATE.

**This cover contains information for general reference only. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.**

The Series 2023-A Bonds are offered when, as and if issued by the City and accepted by the Underwriters, subject to the approval of legality by Jones Hall, A Professional Law Corporation, and Alexis S. M. Chiu, Esq., Co-Bond Counsel, and certain other conditions. Certain legal matters will be passed on for the City by Hydee Feldstein Soto, City Attorney, and by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Norton Rose Fulbright US LLP. It is anticipated that the Series 2023-A Bonds will be available for delivery through the facilities of DTC in book-entry form on or about June \_\_, 2023.

**J.P. Morgan  
Cabrera Capital**

**Ramirez & Co., Inc.  
Jefferies**

Dated: June \_\_, 2023

**MATURITY SCHEDULE**

**\$ \_\_\_\_\_\***  
**SOLID WASTE RESOURCES REVENUE BONDS,**  
**SERIES 2023-A**

**(Base CUSIP<sup>†</sup> Number: 54463P)**

<i><b>Maturity (February 1)</b></i>	<i><b>Principal Amount</b></i>	<i><b>Interest Rate</b></i>	<i><b>Yield</b></i>	<i><b>Price</b></i>	<i><b>CUSIP<sup>†</sup></b></i>
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
[2038]					

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\* Preliminary; subject to change.

<sup>†</sup> CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2023 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. None of the City, the Municipal Advisor, the Underwriters or their agents or counsel take any responsibility for the accuracy of such numbers.

**CITY OF LOS ANGELES**

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**MAYOR**

Karen Bass

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**CITY COUNCIL**

Eunisses Hernandez, *District 1*  
Paul Krekorian, *District 2*  
Bob Blumenfield, *District 3*  
Nithya Raman, *District 4*  
Katy Yaroslavsky, *District 5*

[Vacant]<sup>(1)</sup>, *District 6*  
Monica Rodriguez, *District 7*  
Marqueece Harris-Dawson, *District 8*  
Curren D. Price, Jr., *District 9*  
Heather Hutt<sup>(2)</sup>, *District 10*

Traci Park, *District 11*  
John Lee, *District 12*  
Hugo Soto-Martinez, *District 13*  
Kevin de León, *District 14*  
Tim McOsker, *District 15*

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**CITY OFFICIALS**

Hydee Feldstein Soto, *City Attorney*  
Kenneth Mejia, *City Controller*  
Matthew W. Szabo, *City Administrative Officer*  
Holly L. Wolcott, *City Clerk*  
Diana Mangioglu, *City Treasurer*

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**BOARD OF PUBLIC WORKS**

Aura Garcia, *President*  
Teresa Villegas, *Vice President*  
Mike Davis, *President Pro Tem*  
Vahid Khorsand, *Commissioner*  
Susana Reyes, *Commissioner*

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***Bureau of Sanitation***

Barbara Romero, *Director and General Manager*

---

***City Department Issuing Debt***

Office of the City Administrative Officer  
Debt Management Group

***Co-Bond Counsel***

Jones Hall, A Professional Law Corporation

***Co-Bond Counsel***

Alexis S. M. Chiu, Esq.

***Municipal Advisor***

Public Resources Advisory Group

***Disclosure Counsel***

Stradling Yocca Carlson & Rauth,

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<sup>(1)</sup> A runoff election will be held June 24, 2023 to elect the Council member representing District 6. The candidates in the runoff election will be Imelda Padilla and Marisa Alcaraz.

<sup>(2)</sup> On March 30, 2023, Mr. Mark Ridley-Thomas was convicted of seven felony charges relating to alleged actions taken while he served on the Board of Supervisors of the County of Los Angeles, which resulted in his office becoming vacant in accordance with the City Charter. To fill the vacant office, Heather Hutt, who has been filling the District 10 council seat by appointment (at times in a non-voting caretaker capacity) since July 20, 2022, was appointed by the City Council as the District 10 councilmember for the remainder of the unexpired term on April 11, 2023. See APPENDIX A—“CITY OF LOS ANGELES GENERAL INFORMATION—MUNICIPAL GOVERNMENT.”

a Professional Corporation

*Trustee*

U.S. Bank Trust Company, National Association

**[SYSTEM MAP]**



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 Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2023-A Bonds by a person in any jurisdiction in which it is unlawful for such person to make an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Series 2023-A Bonds. Statements contained in this Official Statement 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 herein has been obtained by the City from sources that are believed to be reliable. The information in the section of this Official Statement captioned APPENDIX E—“BOOK-ENTRY ONLY SYSTEM” attached hereto has been furnished by The Depository Trust Company and no representation has been made by the City, the Municipal Advisor or the Underwriters as to the accuracy or completeness of such information. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date thereof. This Official Statement is submitted with respect to the sale of the Series 2023-A Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the City. All summaries of the documents and laws are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement 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 Underwriters do not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2023-A BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2023-A BONDS TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE FRONT COVER HEREOF, AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

Statements contained in this Official Statement that 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. Certain statements included or incorporated by reference in this Official Statement 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. The City has no plans to issue any updates or revisions to any forward-looking statements in this Official Statement, including statements regarding the City’s budgets, if or when its expectations, or events, conditions or circumstances on which such statements are based occur or change. No assurance is given that actual results will meet City forecasts in any way, regardless of the level of optimism communicated in the information.

The CUSIP numbers herein are provided by CUSIP Global Services and are for convenience of reference only. The City, the Municipal Advisor, the Underwriters, their agents and counsel do not assume any responsibility for the accuracy of such CUSIP numbers.

This Official Statement, including any supplement or amendment hereto, is intended to be filed with the Municipal Securities Rulemaking Board through the Electronic Municipal Marketplace Access website. A wide variety of other information, including financial information, concerning the City, is available from publications and websites of the City, the County of Los Angeles and others. No such information is a part of or incorporated into this Official Statement, except as expressly noted herein.

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CITY OF LOS ANGELES

§ \_\_\_\_\_\*  
**SOLID WASTE RESOURCES REVENUE BONDS,  
SERIES 2023-A**

**INTRODUCTION**

This Official Statement is provided for the purpose of setting forth information concerning the issuance and sale by the City of Los Angeles, California (the “City”) of the § \_\_\_\_\_\* Solid Waste Resources Revenue Bonds, Series 2023-A (the “Series 2023-A Bonds”). The Series 2023-A Bonds are authorized under the Charter of the City and Ordinance No. 174129 adopted on July 24, 2001, codified at Sections 11.27.50 through 11.27.58 of Division 11, Chapter 1, Article 6.4 of the Los Angeles Administrative Code, and are being issued under a Master Trust Agreement, dated as of September 1, 2001 (as previously amended from time to time, the “Original Master Trust Agreement”), by and between the City and U.S. Bank Trust Company, National Association, as successor trustee (the “Trustee”), as supplemented by a Fourteenth Supplemental Trust Agreement, dated as of June 1, 2023 (the “Fourteenth Supplemental Trust Agreement”), by and between the City and the Trustee.

**Immediately after the issuance of the Series 2023-A Bonds, and pursuant to authority set forth in the Original Master Trust Agreement, the City and the Trustee will execute and deliver an Amended and Restated Master Trust Agreement dated as of June 1, 2023 (the “Amended and Restated Master Trust Agreement”), for the purpose of modifying, altering, amending, supplementing and/or rescinding certain terms and provisions contained in the Original Master Trust Agreement. Each of the purchasers of the Series 2023-A Bonds is, by its purchase of the Series 2023-A Bonds, deemed to have consented in writing to the Amended and Restated Master Trust Agreement. See “AMENDMENTS TO ORIGINAL MASTER TRUST AGREEMENT.”**

See APPENDIX B-1—“FORM OF AMENDED AND RESTATED MASTER TRUST AGREEMENT” for the definitions of certain capitalized terms and further information regarding the City’s obligations under the Amended and Restated Master Trust Agreement. See APPENDIX B-2—“CHANGES TO ORIGINAL MASTER TRUST AGREEMENT” for a summary of the changes to the Original Master Trust Agreement set forth in the Amended and Restated Master Trust Agreement.

The Series 2023-A Bonds are being issued to (a) finance the acquisition of (i) certain equipment, including vehicles and other items, and the installation thereof, if any, for the refuse collection and disposal system of the City (the “System”), including vehicles for the collection of bulky items from multi-family dwellings, and (ii) facilities, including the construction and renovation of real property and other capital improvements for System; and (b) pay the costs of issuance of the Series 2023-A Bonds. See “PLAN OF FINANCE” herein.

The Series 2023-A Bonds are special, limited obligations of the City payable from and secured solely by a pledge of and lien on, and security interest in the Revenues, moneys on deposit from time to time in the Solid Waste Resources Revenue Fund (the “SWR Revenue Fund”), and certain funds and accounts held by the Trustee under the Amended and Restated Trust Agreement as described herein. “Revenues” means (1) the Solid Waste Collection, Transfer, Recycling, Recovery of Waste Resources and Disposal Fee (the “Solid Waste Resources Fee”) received by the SWR Revenue Fund after deduction of administrative charges by the Department of Water and Power of the City (“DWP”); (2) any other legally available income, rates, fees, charges and other moneys which the City designates by ordinance or resolution for deposit in the SWR Revenue Fund; and (3) the earnings on and income derived from the investment of the amounts set forth in

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\* Preliminary; subject to change.

clauses (1) and (2) above. The Amended and Restated Master Trust Agreement provides that all Revenues and all amounts on deposit in the SWR Revenue Fund are irrevocably pledged to the payment of the Bonds (defined below), and the Revenues shall not be used during any month of any Fiscal Year for any other purpose if any of the transfers for (1) debt service for the Bonds, (2) replenishment of the Reserve Fund for any Outstanding Covered Bonds (defined below), or (3) debt service for the Subordinated Obligations (defined below) (if any) are delinquent; provided however that, subsequent to such monthly transfers, there may be apportioned such sums for such purposes as may be permitted to be paid from the SWR Revenue Fund out of the Revenues and other amounts on deposit in the in the SWR Revenue Fund constituting surplus for such month. **The Series 2023-A Bonds will not be secured by the Reserve Fund.**

As described above, in addition to the Solid Waste Resources Fee, the City may from time to time designate other legally available income, rates, fees, charges and other moneys by ordinance or resolution for deposit in the SWR Revenue Fund as “Revenues” within the meaning of the Amended and Restated Master Trust Agreement. In addition, from time to time, the City may, by ordinance, expand the permitted uses of the Solid Waste Resources Fee. For additional information on the Solid Waste Resources Fee and other components of Revenues, see “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Revenue Pledge” and “SOLID WASTE RESOURCES FEE AND OTHER REVENUES” herein.

From time to time in certain years (including in the period commencing in Fiscal Year 2020-21 and continuing in the current Fiscal Year) the Solid Waste Resources Fee, the Extra Capacity Fee (defined below), and other charges imposed for solid waste services have not been sufficient to pay all of the costs of the System. In order to pay the costs of the System in excess of the Solid Waste Resources Fee, the Extra Capacity Fee and other charges imposed for solid waste services, from time to time the City has elected to pay from the General Fund certain costs of the System that would otherwise be payable from (or reimbursed to the General Fund by) the SWR Revenue Fund, such as pension costs, employee benefit costs, and other indirect costs of the System. Such practice has had the effect of reducing the costs of the System payable from the Solid Waste Resources Fee, the Extra Capacity Fee and other charges imposed for solid waste services. See “SOLID WASTE RESOURCES FEE AND OTHER REVENUES,” “ELECTIVE PAYMENTS FROM THE CITY GENERAL FUND DO NOT CONSTITUTE REVENUES,” and “HISTORICAL AND PRO FORMA OPERATING RESULTS AND DEBT SERVICE” below.

The Series 2023-A Bonds are payable and secured by the Revenues and moneys on deposit in the SWR Revenue Fund on a parity with the following series of bonds previously issued by the City, which are Outstanding as of the date hereof (together with the Series 2023-A Bonds, the “Existing Bonds”): (i) the City of Los Angeles, California Solid Waste Resources Revenue Bonds, Series 2013-A, outstanding in the aggregate principal amount of \$33,860,000 (the “Series 2013-A Bonds”); (ii) the City of Los Angeles, California Solid Waste Resources Refunding Revenue Bonds, Series 2013-B, outstanding in the aggregate principal amount of \$5,685,000 (the “Series 2013-B Bonds”); (iii) the City of Los Angeles, California Solid Waste Resources Refunding Revenue Bonds, Series 2015-A, outstanding in the aggregate principal amount of \$4,810,000 (the “Series 2015-A Bonds”); and (iv) the City of Los Angeles Solid Waste Resources Revenue Bonds, Series 2018-A, outstanding in the aggregate principal amount of \$84,100,000 (the “Series 2018-A Bonds”). See “PLAN OF FINANCE” and “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Outstanding Existing Bonds” herein.

The Series 2013-A Bonds, the Series 2013-B Bonds and the Series 2015-A Bonds are additionally secured by a Reserve Fund previously established pursuant to the Original Master Trust Agreement. The Amended and Restated Master Trust Agreement allows future Series of Additional Bonds (defined below) to be secured by the Reserve Fund as well; however, the Series 2023-A Bonds will not be secured by the Reserve Fund. The Series 2013-A Bonds, the Series 2013-B Bonds and the Series 2015-A Bonds and any Additional Bonds issued in the future that are designated by the City to be secured by the Reserve Fund are referred to herein as the “Covered Bonds.” The Series 2023-A Bonds and the Series 2018-A Bonds are not Covered Bonds.

The City may in the future issue additional bonds and incur any other of indebtedness secured by the Revenues and moneys on deposit in the SWR Revenue Fund on a parity with the Existing Bonds (including the Series 2023-A Bonds) (“Additional Bonds”), but only in accordance with the provisions of the Amended and Restated Master Trust Agreement. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Limitations on Parity and Superior Obligations; Additional Bonds.” Existing Bonds and Additional Bonds are sometimes referred to collectively herein as “Bonds.” Under the Amended and Restated Trust Agreement, the City may not issue or incur any future obligations payable from Revenues which would create a lien on the Revenues superior to the lien of the Bonds.

The Amended and Restated Trust Agreement permits the City to issue or incur bonds, notes or other indebtedness on a basis junior and subordinate to the Bonds subject to the satisfaction of certain conditions precedent (the “Subordinated Obligations”). See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Subordinated Obligations.”

THE SERIES 2023-A BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY AND ARE SECURED SOLELY BY AND PAYABLE FROM A PLEDGE OF THE REVENUES, MONEYS ON DEPOSIT FROM TIME TO TIME IN THE SWR REVENUE FUND, AND CERTAIN FUNDS AND ACCOUNTS HELD BY THE TRUSTEE UNDER THE AMENDED AND RESTATED MASTER TRUST AGREEMENT AS DESCRIBED HEREIN. THE SERIES 2023-A BONDS DO NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE SERIES 2023-A BONDS DO NOT CONSTITUTE A DEBT OR AN INDEBTEDNESS OF THE CITY, THE COUNTY OF LOS ANGELES, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS IN CONTRAVENTION OF THE CONSTITUTION OR STATUTES OF THE STATE.

For a discussion of the collection of the Solid Waste Resources Fee and the System, see “SOLID WASTE RESOURCES FEE AND OTHER REVENUES” and “DEPARTMENT OF PUBLIC WORKS, BUREAU OF SANITATION SOLID WASTE OPERATIONS.” In addition, certain economic and demographic and other information with respect to or affecting the City is contained in APPENDIX A—“CITY OF LOS ANGELES GENERAL INFORMATION” herein.

Certain risk factors relating to the collection of the Solid Waste Resources Fee, the Revenues, and the operations of the System are discussed herein under “CERTAIN RISK FACTORS.”

This Official Statement contains brief descriptions of, among other things, the City, the System, the Amended and Restated Master Trust Agreement, the SWR Revenue Fund, the Series 2023-A Bonds, and the projects to be financed with the proceeds of the Series 2023-A Bonds (the “Projects”). Such descriptions do not purport to be comprehensive or definitive. All references in this Official Statement to documents are qualified in their entirety by references to such documents and references to the Series 2023-A Bonds are qualified in their entirety by reference to the form of Series 2023-A Bonds included in the Fourteenth Supplemental Trust Agreement and by reference to the Amended and Restated Master Trust Agreement.

## **THE SERIES 2023-A BONDS**

### **General Terms**

The Series 2023-A Bonds will be dated their date of delivery and, when issued, will be initially registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (“DTC”). Purchases of the Series 2023-A Bonds may be made in book-entry form only, through brokers and dealers who are, or who act through, DTC Participants (as defined in APPENDIX E—“BOOK-ENTRY ONLY SYSTEM”). So long as DTC, or its nominee, Cede & Co., is the registered owner of the Series 2023-A Bonds, all payments on the Series 2023-A Bonds and any notice with respect to any Bond

will be sent directly to DTC, and disbursement of such payments and delivery of such notices to the DTC Participants will be the responsibility of DTC. Disbursement of such payments and delivery of such notices to the Beneficial Owners of the Series 2023-A Bonds will be the responsibility of the DTC Participants as more fully described herein. See APPENDIX E—“BOOK-ENTRY ONLY SYSTEM.”

Interest on the Series 2023-A Bonds will be payable semiannually on each February 1 and August 1, commencing [August] 1, 2023 (each, a “Payment Date”), at the rates set forth on the inside cover page hereof, to the holders of record on the immediately preceding January 15 and July 15 regardless of whether such January 15 or July 15 is a Business Day (each, a “Record Date”) and will mature on February 1 in each of the designated years in the principal amounts set forth on the inside cover page hereof. Each Series 2023-A Bond shall bear interest from the Payment Date next preceding the date of authentication thereof unless such date of authentication is a Payment Date, in which event such Series 2023-A Bond shall bear interest from such date of authentication or unless such date of authentication is after a Record Date and prior to the subsequent Payment Date, in which event such Series 2023-A Bond shall bear interest from said subsequent Payment Date or unless such date of authentication is on or before [July] 15, 2023, in which event such Series 2023-A Bond shall bear interest from the initial date of issuance.

## **Redemption**

***Optional Redemption.*** The Series 2023-A Bonds maturing on or after February 1, 20\_\_ are subject to redemption at the option of the City, on or after February 1, 20\_\_, in whole or in part on any date, from any moneys that may be provided for such purpose. The Series 2023-A Bonds so redeemed will be redeemed at a redemption price equal to the principal amount of such Series 2023-A Bonds, without premium, plus accrued interest to the date fixed for redemption.

***Notices to Bondholders.*** The Trustee will give notice of an optional redemption to Bondholders affected by such redemption as provided in the Amended and Restated Master Trust Agreement and the Trustee will, at least 20 days and not more than 60 days before each redemption, send such notice of redemption by first-class United States mail, postage prepaid or Electronic Means to each Bondholder of a Series 2023-A Bond to be redeemed at their addresses appearing on the registration books of the Registrar. Such notice will not be a condition precedent to such redemption and failure by any Bondholder to receive notice as provided herein will not affect the validity of any such redemption.

The City has the right to rescind any notice of the optional redemption of Series 2023-A Bonds by written notice to the Trustee on or prior to the date fixed for redemption. In addition, with respect to any notice of any optional redemption of Series 2023-A Bonds, unless at the time such notice is given the Series 2023-A Bonds to be redeemed will be deemed to have been paid within the meaning of the Amended and Restated Master Trust Agreement, such notice will state that such redemption is conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the redemption price of, and accrued interest on, the Series 2023-A Bonds to be redeemed, and that if such moneys have not been so received said notice will be of no force and effect and the City will not be required to redeem such Series 2023-A Bonds. In the event a notice of redemption of Series 2023-A Bonds contains such a condition and such moneys are not so received, the redemption of Series 2023-A Bonds as described in the conditional notice of redemption will not be made and the Trustee will, within a reasonable time after the date on which such redemption was to occur, give notice to the persons and in the manner in which the notice of redemption was given, that such moneys were not so received and that there will be no redemption of Series 2023-A Bonds pursuant to such notice of redemption.

***Selection of Series 2023-A Bonds for Redemption; Series 2023-A Bonds Redeemed in Part.*** The Series 2023-A Bonds are subject to redemption in such order of maturity as the City may direct and by lot, selected in such manner as the Trustee deems appropriate, within a maturity. Upon surrender of a Series 2023-A Bond to be redeemed in part, the Trustee will authenticate for the Bondholder a new Series 2023-A Bond or



Series 2023-A Bonds of the same maturity equal in principal amount to the unredeemed portion of the Series 2023-A Bond surrendered.

***Effect of Redemption Call.*** On the date so designated for redemption, notice having been given in the manner and under the conditions provided in the Amended and Restated Master Trust Agreement and in the Fourteenth Supplemental Trust Agreement as are to be redeemed and moneys for payment of the redemption price being held in trust to pay the redemption price, the Series 2023-A Bonds so called for redemption will become and be due and payable on the redemption date, interest on the Series 2023-A Bonds will cease to accrue, the Series 2023-A Bonds will cease to be entitled to any lien, benefit or security under the Amended and Restated Master Trust Agreement and the Owners of the Series 2023-A Bonds will have no rights in respect thereof except to receive payment of the redemption price.

***[Purchase in Lieu of Redemption.*** In lieu of redemption of any Series 2023-A Bonds which are payable before their specified maturity dates from mandatory sinking account payments established for that purpose and calculated to retire the Series 2023-A Bonds on or before their specified maturity dates, amounts on deposit in the Principal Account of the Debt Service Fund may also be used and withdrawn by the Trustee at any time, upon the written request of the City, for the purchase of the Series 2023-A Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account of the Debt Service Fund) as the City may in its discretion determine; provided, however, that no Series 2023-A Bonds may be purchased by the Trustee under this subsection with the settlement date more than 90 days prior to the redemption date. The principal amount of any Series 2023-A Bonds so purchased by the Trustee in any twelve-month period ending 60 days prior to any payment date in any year will be credited towards and reduce the principal amount of such Series 2023-A Bonds required to be redeemed on such payment date in such year.] **[JP/PRAG – include in POS or delete?]**

#### **AMENDMENTS TO ORIGINAL MASTER TRUST AGREEMENT**

Immediately after the issuance of the Series 2023-A Bonds, the Amended and Restated Master Trust Agreement, which includes several material amendments to the Original Master Trust Agreement, will become effective. Set forth in APPENDIX B-2—“CHANGES TO ORIGINAL MASTER TRUST AGREEMENT” is a marked copy of the Amended and Restated Master Trust Agreement which shows the amendments and other changes that the City and the Trustee intend to make to the Original Master Trust Agreement. Investors should read the entire Amended and Restated Master Trust Agreement, the form of which is attached hereto as Appendix B-1, before making a decision to buy the Series 2023-A Bonds.

The Original Master Trust Agreement provides that, subject to the other terms and conditions set forth therein, the City may, from time to time and at any time, with the consent and approval of the holders of not less than 51% in aggregate principal amount of the Bonds then Outstanding, execute and deliver Supplemental Trust Agreements 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 the Original Master Trust Agreement or in a Supplemental Trust Agreement. After giving effect to the issuance of the Series 2023-A Bonds as contemplated in the “PLAN OF FINANCE” herein, the City expects that it will have the consent to the Amended and Restated Master Trust Agreement of approximately \_\_\_% **[to come from JP/PRAG]** of the then-Outstanding Bonds.

***By its purchase, each initial Beneficial Owner of the Series 2023-A Bonds will, as the holder thereof for purposes of the Original Master Trust Agreement, be deemed to have consented, in writing, to the Amended and Restated Master Trust Agreement and each initial Beneficial Owner of the Series 2023-A Bonds so acknowledges and agrees. Additionally, by its purchase thereof, each initial Beneficial Owner of the Series 2023-A Bonds, as the holder thereof for purposes of Sections 9.03(a), 9.03(d) and 9.03(e) of the Original Master Trust Agreement, (i) acknowledges and agrees that the Preliminary Official Statement and the Official Statement for the Series 2023-A Bonds each provides notice of the proposed execution of the Amended and Restated Master Trust Agreement and that the Preliminary Official Statement and the***

*Official Statement each sets forth the nature of the Amended and Restated Master Trust Agreement, and (ii) waives the provisions of Section 9.03(c) of the Original Master Trust Agreement stating that notice of the proposed execution of the Amended and Restated Master Trust Agreement is to be given by first-class United States mail, postage prepaid. The Original Master Trust Agreement provides that each such consent by an initial Beneficial Owner of the Series 2023-A Bonds will bind every future Owner of the same Series 2023-A Bonds or any Series 2023-A Bonds issued in lieu thereof in respect of any action by the Trustee or the City in pursuance of such consent. As a result of such consent by an initial Beneficial Owner of the Series 2023-A Bonds, no Bondholders will have any right to object to the adoption of the Amended and Restated Master Trust Agreement, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution and delivery thereof, or to enjoin or restrain the City from executing the same or from taking any action pursuant to the provisions thereof. After delivery of the Series 2023-A Bonds, the City will not request separate written consent from any purchasers of the Series 2023-A Bonds to the Amended and Restated Master Trust Agreement.*

## PLAN OF FINANCE

### General

Pursuant to the Fourteenth Supplemental Trust Agreement, proceeds of the Series 2023-A Bonds will be applied to (a) finance the acquisition of (i) certain equipment, including vehicles and other items, and the installation thereof, if any, for the System, including vehicles for the collection of bulky items from multi-family dwellings, and (ii) facilities, including the construction and renovation of real property and other capital improvements for the System; and (b) pay the costs of issuance of the Series 2023-A Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” herein.

Following is a description of the Projects that will be financed from proceeds of the Series 2023-A Bonds.

The Projects include 385 new and replacement vehicles and equipment intended to ensure continuity of the collection, recycling, and disposal of solid resources throughout the City, including 324 vehicles consisting of 183 automated side loaders, 47 rear loaders, and 94 other miscellaneous vehicles and/or equipment which have exceeded their useful life expectancies and/or are out of compliance with the South Coast Air Quality Management District’s (“AQMD”) regulations and therefore need to be replaced. The Projects also include 61 new vehicles and/or equipment, including 35 rear loaders, 13 vehicles to support landfill operations, and 13 vehicles to support programs expanded in Fiscal Year 2022-23 including customer service response and compliance with organics recycling programs under California Senate Bill 1383 (“SB 1383”). The City intends to procure natural gas powered or electric powered trucks for replacement vehicles that are compliant with proposed air quality regulations in order to meet the City’s Clean Air Vehicle Goal to the extent such vehicles become viable for use by the System for solid waste collection and transportation purposes. In addition, the City plans to purchase approximately 500,000 replacement automated containers.

The City plans to make capital improvements, including upgrades to the camera security systems, to existing Solvents, Automotive, Flammables, and Electronics (“S.A.F.E.”) Centers throughout the City. S.A.F.E. Centers are permanent collection sites for residents to drop off their household hazardous waste, electronic waste, and used oil.

The City estimates that the total cost of the Projects is approximately \$198.1 million. All new and replacement equipment have a useful life of more than ten years. Equipment and vehicle delivery dates are expected to vary from nine months to two years from the date the Series 2023-A Bonds are issued. The estimated Project costs to be financed by the Series 2023-A Bonds are summarized in the table below:

**SUMMARY OF PROPOSED PROJECTS AND ESTIMATED COSTS**

<i>Designation</i>	<i>Quantity</i>	<i>Estimated Cost</i>
Vehicles and Equipment – Replacement	324	\$ 139,439,000
Vehicles and Equipment – New	61	19,165,000
Equipment – Automated Containers	500,000	<u>35,000,000</u>
Vehicles and Equipment Total		\$ 193,604,000
S.A.F.E. Center Capital Improvements	n/a	<u>\$ 4,500,000</u>
Facilities Total		\$ 4,500,000
<b>Total Estimated Costs</b>		<b>\$ 198,104,000</b>

Source: City of Los Angeles, Bureau of Sanitation.

**Substitution of Projects**

The City may substitute or add other equipment and facilities for the Projects described above so long as they are authorized to be financed with proceeds of the Series 2023-A Bonds under the Fourteenth Supplemental Trust Agreement.

**ESTIMATED SOURCES AND USES OF FUNDS**

The estimated sources and uses of funds are as follows:

**Sources of Funds:**

Principal Amount of Series 2023-A Bonds	\$
Net Original Issue Premium/Discount	
<b>Total Sources of Funds</b>	<u><u>\$</u></u>

**Uses of Funds:**

Deposit to Series 2023-A Acquisition Fund	\$
Costs of Issuance <sup>(1)</sup>	
<b>Total Uses of Funds</b>	<u><u>\$</u></u>

<sup>(1)</sup> Includes rating agency fees, Co-Bond Counsel fees, Disclosure Counsel fees, Municipal Advisor fees, Underwriters' discount, Trustee fees, printing costs, and other costs of issuance.

**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**

**Revenue Pledge**

The Amended and Restated Master Trust Agreement provides that all Revenues and all amounts on deposit in the SWR Revenue Fund are irrevocably pledged to the payment of the Bonds, and the Revenues shall not be used during any month of any Fiscal Year for any other purpose if any of the transfers for (1) debt service for the Bonds, (2) replenishment of the Reserve Fund for any Outstanding Covered Bonds, or (3) debt service for the Subordinated Obligations (if any) are delinquent; provided however that, subsequent to such monthly transfers, there may be apportioned such sums for such purposes as may be permitted to be paid from the SWR Revenue Fund out of the Revenues and other amounts on deposit in the SWR Revenue Fund constituting surplus for such month. The Amended and Restated Master Trust Agreement provides that the pledge constitutes a first and exclusive lien, and security interest in, all right, title and interest of the City in and to the Revenues and, subject to application of amounts on deposit therein as permitted in the Amended and Restated Master Trust Agreement, the SWR Revenue Fund and the other funds and accounts created under the

Amended and Restated Master Trust Agreement for the payment of the Bonds in accordance with the terms thereof. See APPENDIX B-1—“FORM OF AMENDED AND RESTATED MASTER TRUST AGREEMENT.”

“Revenues” means (1) the Solid Waste Resources Fee received by the SWR Revenue Fund after deduction of administrative charges by DWP; (2) any other legally available income, rates, fees, charges and other moneys which the City designates by ordinance or resolution for deposit in the SWR Revenue Fund; and (3) the earnings on and income derived from the investment of the amounts set forth in clauses (1) and (2) above.

Currently, the primary source of Revenues is the Solid Waste Resources Fee. In addition, the City charges an Extra Capacity Fee which is deposited into the SWR Revenue Fund, and also currently intends to transfer into the SWR Revenue Fund on a monthly basis a portion of the revenues derived from the fees imposed by the City for bulky item collection from multi-family dwellings (specifically, the MFBI Reimbursement described below). See “SOLID WASTE RESOURCES FEE AND OTHER REVENUES” herein.

Moneys in the SWR Revenue Fund will be used and applied by the City as provided in the Amended and Restated Master Trust Agreement. The City will maintain all Revenues in the SWR Revenue Fund separate and apart from other funds of the City so long as any Bonds or Subordinated Obligations remain outstanding.

#### **Flow of Funds**

The Amended and Restated Master Trust Agreement provides that all Revenues shall be retained by the City in the SWR Revenue Fund except that amounts on deposit therein shall be transferred from the SWR Revenue Fund for the following purposes at the following times in the following order of priority, each item to be fully satisfied before the item next in priority, and all moneys in such fund shall be held in trust and shall be applied, used and withdrawn only for the purposes authorized in the Amended and Restated Master Trust Agreement, as described below. The Amended and Restated Master Trust Agreement states that, under no circumstances shall the City use Revenues with respect to any month to pay operations and maintenance expenses of the System or any other purpose until all of the deposits described in paragraphs (a) through (c), below, have been made by the City for such month.

(a) Debt Service Fund. On or before [May 31, 2023], the City shall transfer to the Trustee the amount of \$ \_\_\_\_\_ for deposit in the Debt Service Fund (representing a portion of the Debt Service with respect to the August 1, 2023 interest payment date and the February 1, 2024 principal payment date). Each month, commencing [MONTH AFTER CLOSING], 2023, the City shall transfer to the Trustee for deposit in the Debt Service Fund an amount equal to a portion of the Debt Service on each Series of Bonds, which portion shall be calculated as follows: (1) an amount equal to the interest payable on each Series of Bonds on the next payment date for such Series of Bonds (less any amount received as accrued interest from the proceeds of any such Bonds which is on deposit in the Debt Service Fund or any account or subaccount therein established pursuant to a Supplemental Trust Agreement and is available for such interest payment) divided by the number of months intervening between the first day of the month in which the first transfer to the Debt Service Fund with respect to the next such payment date is made and the next such payment date, plus (2) an amount equal to the principal of each Series of Bonds payable on the next principal payment date for such Series of Bonds divided by the number of months intervening between the first day of the month in which the first transfer to the Debt Service Fund with respect to the next such principal payment date is made and the next such principal payment date, and (3) if the amount transferred by the City to the Trustee for deposit into the Debt Service Fund in the previous month with respect to the next interest payment date and the next principal payment date were less than the amount required to be deposited under the Amended and Restated Master Trust Agreement, then plus the difference between such amounts, and (4) if the amount transferred by the City to the Trustee for deposit into the Debt Service Fund in the previous month with respect to the next

interest payment date and the next principal payment date were greater than the amount required to be deposited under the Amended and Restated Master Trust Agreement, then less the difference between such amounts. No deposit need be made in the Debt Service Fund for any Series of Bonds in accordance with this paragraph with respect to any month if the amount then on deposit in the Debt Service Fund is at least equal to the portion of the Debt Service on each Series of the Bonds that would be on deposit in the Debt Service Fund if all deposits required to be made with respect to the next interest payment date and the next principal payment date under the Amended and Restated Master Trust Agreement had so been made.

(b) **Reserve Fund.** Each month, commencing in the month following the withdrawal of any moneys from the Reserve Fund in accordance with the Amended and Restated Master Trust Agreement, and continuing for eleven additional months thereafter, and prior to application of amounts on deposit in the SWR Revenue Fund pursuant to clauses (c) and (d) below, without preference or priority, the City shall transfer to the Trustee for deposit in the Reserve Fund, one-twelfth of the amount of the withdrawal plus, to the extent that Revenues in any prior month were insufficient to satisfy one-twelfth of the amount of the withdrawal, the amount of such deficiency that then remains unsatisfied. Notwithstanding the foregoing, the City may provide for the Reserve Fund by a Credit Facility as set forth in the Amended and Restated Master Trust Agreement.

(c) **Subordinate Debt Service Fund.** Each month, provided no further deposits are required to be made pursuant to paragraphs (a) and (b) above for such month, including deposits to any of such funds to the extent that Revenues in any prior month have been insufficient to satisfy the deposit requirements provided above, and provided further, that the amount on deposit in the Reserve Fund is equal to the Reserve Requirement, the City shall transfer to the applicable fiduciary for deposit in the applicable payment fund, debt service payments with respect to any Subordinated Obligations.

(d) **Surplus.** With respect to each month, after all of the deposits described in paragraphs (a) through (c) above have been made by the City for such month, moneys on deposit in the SWR Revenue Fund on and after such date through, and including, the last day of such month, may be expended by the City to pay operations and maintenance expenses of the System and for any other purpose permitted by law. The City’s practice is to use such surplus moneys to pay operations and maintenance expenses of the System.

**Outstanding Existing Bonds**

The following table provides information regarding the Existing Bonds (other than the Series 2023-A Bonds) Outstanding as of the date hereof.

**OUTSTANDING EXISTING BONDS**

<i>Series Designation</i>	<i>Dated Date</i>	<i>Original Principal Amount</i>	<i>Principal Amount Outstanding</i>	<i>Final Maturity</i>
Series 2013-A Bonds	02/26/2013	\$ 73,665,000	\$33,860,000	02/01/2027
Series 2013-B Bonds	02/26/2013	78,780,000	5,685,000	02/01/2029
Series 2015-A Bonds	04/07/2015	76,670,000	4,810,000	02/01/2024
Series 2018-A Bonds	07/31/2018	110,530,000	84,100,000	02/01/2033
	<b>Total:</b>	<b>\$339,645,000</b>	<b>\$128,455,000</b>	

Source: City of Los Angeles, Office of the City Administrative Officer, Debt Management Group.

**Limitations on Parity and Superior Obligations; Additional Bonds**

**No Obligations Superior to Debt Service Payments on the Bonds.** In the Amended and Restated Master Trust Agreement, the City covenants that, so long as any Bonds are Outstanding under the Amended and Restated Master Trust Agreement, it will not make any pledge of or place any lien on Revenues or the moneys in the SWR Revenue Fund except with respect to Additional Bonds issued in accordance with the Amended and Restated Master Trust Agreement and obligations which are payable from and secured by a

pledge of and lien on Revenues or any moneys in the SWR Revenue Fund on a basis subordinate in all respects to the pledge of and lien of the Bonds. The Amended and Restated Master Trust Agreement does not permit the City to issue bonds or incur debt on a parity with or senior to the Bonds under any instrument other than a Supplemental Trust Agreement pursuant to the Amended and Restated Master Trust Agreement.

**Additional Bonds.** The City may at any time issue Additional Bonds secured by the Revenues on a parity with the Existing Bonds, provided:

(1) The Revenues for the immediately preceding Fiscal Year or for any 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of the proposed Series of Additional Bonds, as evidenced by a certificate prepared by the Consultant on file with the Trustee, shall have produced a sum equal to at least 125% of the Debt Service for such period; and

(2) The Revenues for the immediately preceding Fiscal Year or for any 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of the proposed Series of Additional Bonds, less any Revenue Decreases, and plus (at the option of the City) any Additional Revenues, all as evidenced by a certificate prepared by the Consultant on file with the Trustee, shall have produced a sum equal to at least 125% of the Debt Service for such period for all Bonds which will be Outstanding immediately after the issuance of the proposed Series of Additional Bonds and which would have accrued had such proposed Additional Bonds been issued at the beginning of such period; and

(3) The estimated Revenues for the first full Fiscal Year after the issuance of the proposed Series of Additional Bonds, less any Revenue Decreases, plus (at the option of the City) any Additional Revenues, all as evidenced by a certificate prepared by the Consultant on file with the Trustee, shall produce a sum equal to at least 125% of the Maximum Annual Debt Service for all Bonds which will be Outstanding immediately after the issuance of the proposed Series of Additional Bonds.

For purposes of preparing the certificate or certificates described above, the Consultant may (a) rely upon financial statements prepared by the City that have not been subject to audit by an Independent certified public accountant if audited financial statements for the Fiscal Year or period are not available and (b) make such other assumptions as determined reasonable or appropriate by such Consultant.

“Additional Revenues” means an allowance for Revenues arising from any increase in the Solid Waste Resources Fee and/or any other legally available income, rates, fees, charges and other moneys described in clause (2) of the definition of Revenues, in each case which has become effective prior to the date of calculation but which, during all or any part of such Fiscal Year, was not in effect, in an amount equal to the total amount by which the Revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year.

“Revenue Decreases” means a decrease in Revenues arising from any decrease in the Solid Waste Resources Fee and/or any other legally available income, rates, fees, charges, and other moneys described in clause (2) of the definition of Revenues which has become effective prior to the date of calculation but which, during all or any part of such Fiscal Year, was not in effect, in an amount equal to the total amount by which the Revenues would have been decreased if such decrease in charges had been in effect during the whole of such Fiscal Year.

The tests set forth above are not required for the issuance of Refunding Bonds (other than Refunding Bonds issued to refund or defease Subordinated Obligations) if the City instead delivers to the Trustee a certificate prepared by the Consultant showing that Maximum Annual Debt Service on all Outstanding Bonds payable from the Revenues after the issuance of said Series of Refunding Bonds will not exceed the Maximum Annual Debt Service on all Outstanding Bonds payable from the Revenues prior to the issuance of said Series of Refunding Bonds.

## **Subordinated Obligations**

The City may, from time to time, incur Subordinated Obligations at such times and upon such terms as the City shall determine. In connection with such indebtedness, the City covenants that:

(1) The trust agreement or other documents pursuant to which any Subordinated Obligations are incurred shall specifically state that the lien on or security interest granted thereby in the Revenues is junior and subordinate to the lien on and security interest in such Revenues and other assets granted to secure the Bonds; and

(2) Payment of principal of, premium, if any, and interest on such Subordinated Obligations shall not be made unless all deposits required to be made to the Trustee to be used to pay Debt Service on the Bonds or to replenish the Reserve Fund are then current in accordance with the Amended and Restated Master Trust Agreement.

## **Covenant to Maintain Solid Waste Resources Fee**

The Amended and Restated Master Trust Agreement provides that if at any time during a Fiscal Year the City shall determine that the Solid Waste Resources Fee is not being maintained at a level sufficient to provide for payment of all Debt Service within the Fiscal Year, together with any amount required to replenish the Reserve Fund and to pay all fees, costs and expenses required to be paid under the Amended and Restated Master Trust Agreement, the City will take action at that time to maintain the Solid Waste Resources Fee at a level sufficient to provide for payment of all Debt Service within the Fiscal Year, together with any amount required to replenish the Reserve Fund and to pay all fees, costs and expenses required to be paid under the Amended and Restated Master Trust Agreement; provided, however, that to the extent the City designates other legally available funds for such payment, it need not increase the Solid Waste Resources Fee. Any increase in the Solid Waste Resources Fee would be subject to compliance with the requirements of Proposition 218. See “CERTAIN RISK FACTORS—Certain Limitations on the Ability of the City to Impose Taxes, Fees, and Charges” below.

The City also covenants in the Amended and Restated Master Trust Agreement that it will not take any action which would materially adversely affect its ability to collect the Solid Waste Resources Fee in accordance with the procedures set forth in the City Municipal Code.

## **No Reserve Fund for the Series 2023-A Bonds**

### **The Series 2023-A Bonds will not be Covered Bonds secured by the Reserve Fund.**

The Series 2013-A Bonds, the Series 2013-B Bonds and the Series 2015-A Bonds are supported by the Reserve Fund held by the Trustee under the Amended and Restated Master Trust Agreement and future Additional Bonds may be secured by the Reserve Fund, but the Series 2023-A Bonds will not be secured by the Reserve Fund.

## **Investment of Funds**

Moneys on deposit in the SWR Revenue Fund are currently held and invested by the City Treasurer in the City’s General Pool. See APPENDIX A—“CITY OF LOS ANGELES GENERAL INFORMATION—BUDGET AND FINANCIAL OPERATIONS—City Treasury Investment Practices and Policies” for information on the City’s investment practices. Certain proceeds of the Series 2023-A Bonds and other moneys required to be deposited by the City to the funds and accounts established under the Amended and Restated Master Trust Agreement will be held and invested by the Trustee, at the direction of the City, in Permitted Investments, as defined in the Amended and Restated Master Trust Agreement. See APPENDIX B-1—“FORM OF AMENDED AND RESTATED MASTER TRUST AGREEMENT.”

## **Limited Liability**

Notwithstanding anything contained in the Amended and Restated Master Trust Agreement, the City shall not be required to advance any moneys derived from any source of income other than the Revenues, the SWR Revenue Fund and the other funds provided in the Amended and Restated Master Trust Agreement for the payment of principal of and interest on the Series 2023-A Bonds. The City may, however, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and which may be legally used by the City for such purpose. THE SERIES 2023-A BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY AND ARE SECURED SOLELY BY AND PAYABLE FROM A PLEDGE OF THE REVENUES, MONEYS ON DEPOSIT FROM TIME TO TIME IN THE SWR REVENUE FUND, AND CERTAIN FUNDS AND ACCOUNTS HELD BY THE TRUSTEE UNDER THE AMENDED AND RESTATED MASTER TRUST AGREEMENT AS DESCRIBED HEREIN. THE SERIES 2023-A BONDS DO NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE SERIES 2023-A BONDS DO NOT CONSTITUTE A DEBT OR AN INDEBTEDNESS OF THE CITY, THE COUNTY OF LOS ANGELES, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS IN CONTRAVENTION OF THE CONSTITUTION OR STATUTES OF THE STATE.

The Series 2023-A Bonds are not secured by, and the Bondholders have no security interest in or mortgage on, the Projects, the System, or any other funds or property of the City (other than the SWR Revenue Fund). Default by the City on the payment of the Series 2023-A Bonds will not result in loss of the Projects or the System. Should the City default, the Trustee may take whatever actions are legally available to enforce performance and observance of any obligation, agreement or covenant of the City under the Amended and Restated Master Trust Agreement. Neither the Trustee nor the Bondholders have the right to accelerate the payment by the City of the principal of and interest on the Series 2023-A Bonds under any circumstances. See APPENDIX B-1—“FORM OF AMENDED AND RESTATED MASTER TRUST AGREEMENT.”

## **DEBT SERVICE SCHEDULE**

The following table sets forth the amounts required in each Fiscal Year for the payment of principal of and interest on the Existing Bonds, assuming in each case no optional redemptions. Totals may not sum due to independent rounding.



**TABLE 1  
DEBT SERVICE SCHEDULE**

	<i>Series 2013-A</i>		<i>Series 2013-B</i>		<i>Series 2015-A</i>		<i>Series 2018-A</i>		<i>Series 2023-A</i>		<i>Total Debt Service*</i>	<i>Fiscal Year Total Debt Service*</i>
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>		
8/1/2023	\$ -	\$383,600.00	\$ -	\$67,762.50	\$ -	\$48,100.00	\$ -	\$1,950,200.00			\$ 2,449,662.50	\$ -
2/1/2024	6,860,000.00	383,600.00	895,000.00	67,762.50	4,810,000.00	48,100.00	6,695,000.00	1,950,200.00			21,709,662.50	24,159,325.00
8/1/2024	-	315,000.00	-	58,812.50	-	-	-	1,782,825.00			2,156,637.50	-
2/1/2025	9,000,000.00	315,000.00	915,000.00	58,812.50	-	-	7,030,000.00	1,782,825.00			19,101,637.50	21,258,275.00
8/1/2025	-	213,750.00	-	48,518.75	-	-	-	1,607,075.00			1,869,343.75	-
2/1/2026	9,000,000.00	213,750.00	935,000.00	48,518.75	-	-	7,380,000.00	1,607,075.00			19,184,343.75	21,053,687.50
8/1/2026	-	112,500.00	-	38,000.00	-	-	-	1,422,575.00			1,573,075.00	-
2/1/2027	9,000,000.00	112,500.00	960,000.00	38,000.00	-	-	7,750,000.00	1,422,575.00			19,283,075.00	20,856,150.00
8/1/2027	-	-	-	26,000.00	-	-	-	1,228,825.00			1,254,825.00	-
2/1/2028	-	-	980,000.00	26,000.00	-	-	8,135,000.00	1,228,825.00			10,369,825.00	11,624,650.00
8/1/2028	-	-	-	13,750.00	-	-	-	1,025,450.00			1,039,200.00	-
2/1/2029	-	-	1,000,000.00	13,750.00	-	-	8,545,000.00	1,025,450.00			10,584,200.00	11,623,400.00
8/1/2029	-	-	-	-	-	-	-	811,825.00			811,825.00	-
2/1/2030	-	-	-	-	-	-	8,970,000.00	811,825.00			9,781,825.00	10,593,650.00
8/1/2030	-	-	-	-	-	-	-	587,575.00			587,575.00	-
2/1/2031	-	-	-	-	-	-	9,420,000.00	587,575.00			10,007,575.00	10,595,150.00
8/1/2031	-	-	-	-	-	-	-	352,075.00			352,075.00	-
2/1/2032	-	-	-	-	-	-	9,890,000.00	352,075.00			10,242,075.00	10,594,150.00
8/1/2032	-	-	-	-	-	-	-	154,275.00			154,275.00	-
2/1/2033	-	-	-	-	-	-	10,285,000.00	154,275.00			10,439,275.00	10,593,550.00
8/1/2033												
2/1/2034												
8/1/2034												
2/1/2035												
8/1/2035												
2/1/2036												
8/1/2036												
2/1/2037												
8/1/2037												
[2/1/2038]												
<b>TOTAL</b>	<b>\$33,860,000.00</b>	<b>\$2,049,700.00</b>	<b>\$5,685,000.00</b>	<b>\$505,687.50</b>	<b>\$4,810,000.00</b>	<b>\$96,200.00</b>	<b>\$84,100,000.00</b>	<b>\$21,845,400.00</b>			<b>\$152,951,987.50</b>	<b>\$152,951,987.50</b>

\* Total debt service does not include anticipated debt service on the Series 2023-A Bonds.

## SOLID WASTE RESOURCES FEE AND OTHER REVENUES

Following is a description of various fees and other payments which constitute Revenues in accordance with the Amended and Restated Master Trust Agreement, which generally consist of (i) the Solid Waste Resources Fee; (ii) the Extra Capacity Fee; (iii) the MFBI Reimbursement; (iv) reimbursements to the SWR Revenue Fund from City departments and other funds for refuse collection services provided by the Bureau of Sanitation at various City facilities; and (v) payments relating to the Lifeline Program deposited into the SWR Revenue Fund (as further described below). See “DEPARTMENT OF PUBLIC WORKS, BUREAU OF SANITATION SOLID WASTE OPERATIONS.”

### Solid Waste Resources Fee

The Solid Waste Resources Fee, which is the primary component of Revenues, is imposed on all single family dwellings in the City and those multi-family dwellings for which the City provides solid waste collection services. In practice, most multi-family dwellings that receive City collection consist of buildings with four or fewer units. The Solid Waste Resources Fee (including approximately \$9 million in funding for utility debt relief from the American Rescue Plan Act reimbursements, described in footnote (5) to Table 3) accounted for approximately 91.7% of the moneys deposited in the SWR Revenue Fund in Fiscal Year 2021-22. The City provides household solid waste collection services to any residential dwelling on the basis of whether solid waste containers are placed upon the street for City collection. Multi-family dwellings which do not utilize household solid waste collection services from the City are not subject to the Solid Waste Resources Fee imposed by the SWR Ordinance. Any multi-family dwellings not serviced by the Bureau of Sanitation have service provided by a franchise waste hauler, as described in “DEPARTMENT OF PUBLIC WORKS, BUREAU OF SANITATION SOLID WASTE OPERATIONS - Exclusive Commercial and Multi-Family Solid Waste Franchise System.”

The Solid Waste Resources Fee was instituted in 1983 by the City Council pursuant to Ordinance No. 157819 and has been amended from time to time (as amended to date, the “SWR Ordinance”). The Solid Waste Resources Fee may be imposed for all costs related to the collection, transfer, recycling, recovery of waste resources and/or disposal of solid waste collected by the City including, but not limited to: salaries, direct and indirect overhead, equipment, ancillary equipment, refuse and recycling containers and vehicles, landfill costs, whether for disposal or for resource recovery facilities or refuse to energy and fuel facilities or closure of City owned facilities, development, acquisition, construction, operation and maintenance of equipment, alternative fuel infrastructure, buildings or facilities used in the collection, recycling, recovery of waste resources and/or disposal of solid waste or storage of solid waste related equipment, transfer facilities, resource recovery facilities or transfer equipment, maintenance of transfer facilities or equipment, or for facilities and equipment used in the recovery of waste resources in the form of energy, alternative fuels or manufacturing feedstocks, and all related costs of the services provided in the collection, the availability of collection, transfer, recycling, the availability of recycling, the recovery of waste resources, disposal and the availability of disposal of solid waste.

The following table sets forth the monthly Solid Waste Resources Fee for single family dwellings and multi-family dwellings receiving solid waste collection services from the City. The monthly charge for a single family dwelling unit provides disposal of 240 gallons per week which consist of 60 gallons for general household refuse, 90 gallons for organics (yard trimmings and food scraps) and 90 gallons for recyclable materials). The monthly charge for multi-family dwellings provides each dwelling with disposal of 60 gallons of general household refuse and 90 gallons of recyclable materials each week, plus an additional 90 gallons per week of disposal for organics, which is shared by the multi-family dwellings located on the property.

**TABLE 2  
SOLID WASTE RESOURCES FEE  
RATE HISTORY**

<i>Fiscal Years</i>	<i>Monthly Charge</i>	
	<i>Single Family Dwelling Unit</i>	<i>Multi-family Dwelling Units receiving City service</i>
2006-07	\$18.00	\$11.88
2007-08	22.00	14.52
2008-09	26.00	17.16
2009-23	36.32	24.33

Source: City of Los Angeles, Bureau of Sanitation.

**The Extra Capacity Fee**

The City Council approved an Extra Capacity Fee in 1996, by Ordinance No. 170868. The Extra Capacity Fee approved under such ordinance (the “Extra Capacity Fee”) is currently \$5.00 per month for each additional 30 gallons of refuse, \$2.50 per month for each additional 30 gallons of organics, or \$2.00 for a tag to allow 30 gallons of intermittent extra capacity. The Extra Capacity Fee accounted for approximately 3% of the moneys deposited in the SWR Revenue Fund in Fiscal Year 2021-22.

**MFBI Reimbursement**

In 2007, the City implemented a Multi-Family Bulky Item Collection Program to provide bulky item collection to multi-family dwellings which do not receive City-provided solid waste collection services. This service is funded by a Multi-Family Bulky Item Fee (the “MFBI Fee”) of \$1.28 per month per multi-family dwelling unit, split equally between the owner and tenants for separately metered buildings and of \$1.11 per month for owners of master-metered buildings. The MFBI Fee is included on the municipal services bill sent by DWP. The MFBI Fee is deposited into a special fund known as the Multi-Family Bulky Item Fee Special Revenue Fund (the “MFBI Fund”) which is maintained by the City separate and apart from the SWR Revenue Fund.

A portion of the proceeds of certain Existing Bonds previously issued by the City were used to acquire certain equipment, including vehicles, for use in connection with the collection of bulky items from multi-family dwellings. While the City is not contractually obligated to do so, the City has historically transferred a portion of the revenues derived from the MFBI Fee to the SWR Revenue Fund (described herein as the “MFBI Reimbursement”) to reimburse the SWR Revenue Fund for a portion of the debt service on certain Existing Bonds, attributable to the portion of the proceeds of such Existing Bonds used to purchase equipment, including vehicles, acquired for purposes of collection of bulky items from multi-family dwellings. The MFBI Reimbursement accounted for approximately 0.2% of the moneys deposited in the SWR Revenue Fund in Fiscal Year 2021-22.

A portion of the proceeds of the Series 2023-A Bonds are being used to acquire certain equipment, including vehicles, that will be used in connection with the collection of bulky items from multi-family dwellings. After issuance of the Series 2023-A Bonds, the City intends to make the transfer of the MFBI Reimbursement on a monthly basis and also intends to increase the monthly MFBI Reimbursement by an amount, as determined by the City, calculated to pay the portion of debt service on the Series 2023-A Bonds allocable to the equipment, including vehicles, acquired for purposes of collection of bulky items from multi-family dwellings. The resolution authorizing issuance of the Series 2023-A Bonds designates the MFBI Reimbursement for deposit into the SWR Revenue Fund.

To the extent any MFBI Fees are deposited into the SWR Revenue Fund, such MFBI Fees will be subject to the pledge and lien on amounts on deposit in the SWR Revenue Fund under the Amended and Restated Master Trust Agreement. Additionally, any MFBI Fees that are designated by ordinance or resolution for deposit in the SWR Revenue Fund and are so deposited by the City constitute “Revenues” within the meaning of the Amended and Restated Master Trust Agreement. However, the MFBI Fund is not pledged as security for the City’s obligations under the Amended and Restated Master Trust Agreement and nothing in the Amended and Restated Master Trust Agreement obligates the City to transfer any MFBI Fees to the SWR Revenue Fund. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Limited Liability.”

### **Reimbursements from City Departments and Other Funds**

The Bureau of Sanitation provides solid waste collection services to various City facilities (such as City Hall, Los Angeles International Airport, and the Department of Water and Power Headquarters). The department or fund within the City (including the Department of Water and Power, the Department of Airports and the General Fund of the City) which is responsible for a particular facility receiving such service is required to reimburse the SWR Revenue Fund. Such reimbursements are reflected in Table 4 in “Reimbursement From Other Funds/Departments.” Such reimbursements from other funds and departments (together with other amounts noted in footnote (3) to Table 4) accounted for approximately 6.8% of the moneys deposited in the SWR Revenue Fund in Fiscal Year 2021-22.

While payments from other funds and departments for services provided by the Bureau of Sanitation described above constitute Revenues pursuant to the Amended and Restated Trust Agreement, additional elective payments made from time to time by the City directly from the General Fund with respect to certain costs that would otherwise be payable from (or reimbursed to the General Fund by) the SWR Revenue Fund, do not constitute Revenues pursuant to the Amended and Restated Trust Agreement. See “ELECTIVE PAYMENTS FROM THE CITY GENERAL FUND DO NOT CONSTITUTE REVENUES.”

### **Lifeline Program**

The Solid Waste Resources Lifeline Program is available to those customers who meet income requirements for a low income household, as defined in the SWR Ordinance, and are either senior citizens or disabled. Lifeline customers receive a discount of 30% on their Solid Waste Resources Fee. The City has a cap of 51,400 customers who may qualify for this discount. As of February 2023, there were 45,298 Solid Waste Resources Lifeline customers. The General Fund annually reimburses the SWR Revenue Fund in an amount equal to the financial relief provided under the Lifeline Program. The reimbursement in Fiscal Year 2021-22 was approximately \$3.2 million, which accounted for approximately 1.0% of the moneys deposited in the SWR Revenue Fund in Fiscal Year 2021-22. The estimated reimbursement in Fiscal Year 2022-23 is \$10.3 million, which includes catch-up payments for outstanding Lifeline Program reimbursement amounts.

### **Billings and Collections**

The collection of the Solid Waste Resources Fee occurs under the direction, supervision, and control of the City’s Director of Finance. Under the SWR Ordinance, the Director of Finance has the ability to establish separate billing and collection services; however, since the inception of the Solid Waste Resources Fee, billing and collection services have been provided by DWP. The City currently expects to continue to use the billing and collection services of DWP but may elect not to do so at any time.

As the exclusive provider of water service and practically the sole provider of electric service to the City’s residents, DWP regularly bills for its services and collects accounts receivable from its customers. DWP includes the Solid Waste Resources Fee on its bi-monthly bill which also includes charges for water, electric and sewer services and certain taxes. Beginning in Fiscal Year 2007-08, the City began including on

the DWP bill the MFBI Fee, imposed on multi-family dwellings for which the City provides bulky item collection services, but which are not subject to the Solid Waste Resources Fee.

Payments received by DWP are credited first to the accounts in arrears in the following order: (i) water charges, (ii) electric charges, (iii) State and local taxes, (iv) sewer service charges, (v) Solid Waste Resources Fee or MFBI Fee, as applicable. After payments credited to accounts in arrears, payments are then credited to the current accounts for each charge in the priority described above.

In response to the COVID-19 outbreak, DWP implemented a number of temporary measures intended to mitigate operational and financial impacts, and to assist its customers, including deferred disconnections of water and power services for non-payment in April 2020 through March 2022. These measures taken by DWP led to an increase of uncollected accounts and the decrease of timely payments from its customers, as shown in Table 3. DWP resumed normal billing and collection processes for most regular customers on March 31, 2022.

DWP maintains policies for late payments and non-payments, including the imposition of late payment charges, institution of collection procedures and, ultimately disconnection of water and/or electric service. Certain DWP customers receive water and electric service by means of a master meter which may serve multiple units in a multi-family dwelling. Water and electrical service to multi-family dwellings served by a master meter may be disconnected for non-payment.

On a weekly basis, DWP transfers an amount equal to that week’s projected collection of the Solid Waste Resources Fee to the Bureau of Sanitation for deposit into the SWR Revenue Fund. On a monthly basis, an adjustment is made to the remittance amount to reflect the actual Solid Waste Resources Fee collected for the previous month. The amount remitted is further adjusted to reflect administrative charges (currently \$328,800 per quarter), refunds of incorrectly billed charges, bank returned checks and other adjustments.

The following table summarizes the collection history for the previous five fiscal years for the Solid Waste Resources Fee. The figures shown under “billings” and “collections” represent the amounts billed and the amounts collected by DWP. The remittance to the City reflects collections adjusted for (i) DWP’s administrative charges, (ii) refunds of incorrectly billed charges and (iii) any other corrections. The remittance to the City does not include interest earnings on collections. The year-to-date collection rate for Fiscal Year 2022-23 as of March 31, 2023 is 93%, including collection of amounts due from prior years but not including approximately \$250,000 in funding for utility debt relief from the American Rescue Plan Act for the reimbursement of the costs of the solid waste fee arrearages forgiveness program for low income customers.

**TABLE 3  
DEPARTMENT OF WATER AND POWER  
BILLINGS AND COLLECTIONS  
SOLID WASTE RESOURCES FEE**

<i>Fiscal Year</i>	<i>Billings</i>	<i>Collections<sup>(1)</sup></i>	<i>Collection Rate<sup>(2)</sup></i>	<i>Solid Waste Resources Fee Remitted to City<sup>(3)</sup></i>
2017-18	\$291,704,750	\$285,958,865	98.03%	\$284,638,476
2018-19	295,466,824	293,040,492	99.18	289,509,415
2019-20	298,786,775	288,227,468	96.47	293,282,808
2020-21	299,067,651	271,292,559	90.71	268,421,296 <sup>(4)</sup>
2021-22	300,945,313	275,756,700	91.63	276,695,763 <sup>(5)</sup>

<sup>(1)</sup> Actual amounts received by DWP. Includes past-due amounts paid with respect to prior years.

<sup>(2)</sup> The collection rate varies from year to year and may exceed 100% because of differences in the average time taken by customers to pay their bills.

- (3) The remittance to the City reflects collections adjusted for (i) DWP's administrative charges, (ii) refunds of incorrectly billed charges, and (iii) any other corrections.
- (4) In response to the COVID-19 pandemic, from April 2020 to March 2022, DWP placed a moratorium on late fees and disconnection of services. As a result, the City experienced a decline in the Fiscal Year 2020-21 collection rate.
- (5) In Fiscal Year 2021-22, the Bureau of Sanitation received \$9 million in funding for utility debt relief from the American Rescue Plan Act for the reimbursement of the costs of the solid waste fee arrearages forgiveness program for low income customers for the period of March 3, 2021 to May 31, 2022.

Source: City of Los Angeles, Bureau of Sanitation.

### **ELECTIVE PAYMENTS FROM THE CITY GENERAL FUND DO NOT CONSTITUTE REVENUES**

From time to time in the past (including the period commencing in Fiscal Year 2020-21 and continuing in the current Fiscal Year), the Solid Waste Resources Fee, the Extra Capacity Fee and other charges imposed for solid waste services deposited into the SWR Revenue Fund have not been sufficient to pay all of the costs of the System. In order to pay the costs of the System in excess of the Solid Waste Resources Fee, the Extra Capacity Fee and other charges imposed for solid waste services, from time to time the City has elected to pay directly from the General Fund certain costs that would otherwise be payable from (or reimbursed to the General Fund by) the SWR Revenue Fund, such as pension costs, employee benefit costs, and other indirect costs of the System. Such practice has had the effect of reducing the costs of the System payable from the Solid Waste Resources Fee, the Extra Capacity Fee and other charges imposed for solid waste services. The Bureau of Sanitation is currently considering potential rate increases to the Solid Waste Resources Fee for presentation to the City Council for consideration. Any such increases would be subject to satisfaction of the requirement of Proposition 218. The timing and amount of increases, if any, is uncertain, and the Pro Forma Debt Service Coverage projections contained in Table 6 do not assume any increases will be imposed. **The Amended and Restated Master Trust Agreement does not obligate the City to utilize the General Fund to subsidize the operations of the System or otherwise pay debt service on any Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Revenue Pledge" and "—Limited Liability."**

The City periodically prepares official statements and other disclosure documents in connection with the issuance of bonds and other obligations secured by or payable from the General Fund. The City has also entered into certain continuing disclosure undertakings pursuant to which the City is contractually obligated for the benefit of owners of certain of its outstanding obligations (but not the Owners of the Series 2023-A Bonds) to file certain annual reports, including audited financial statements, updates to certain information regarding the General Fund, and notice of certain events, pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"). Such official statements, other disclosure documents, annual reports, and notices (collectively, the "City's General Fund Information") are filed with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA"), and can be accessed at [emma.msrb.org](http://emma.msrb.org). Such information is not incorporated herein by reference. The City has not undertaken for the benefit of the Owners of the Series 2023-A Bonds to update the City's General Fund information, nor will the City undertake to inform the Owners of the Series 2023-A Bonds of material changes affecting the condition of the City's General Fund as described in the City's General Fund Information. The City's obligation to provide ongoing financial information, audited financial statements, and notices of certain events for the benefit of the Owners of the Series 2023-A Bonds is set forth in the Continuing Disclosure Certificate to be delivered by the City in connection with the issuance of the Series 2023-A Bonds, as described under the caption "CONTINUING DISCLOSURE"; the form of the Continuing Disclosure Certificate is attached hereto as APPENDIX D—"FORM OF CONTINUING DISCLOSURE CERTIFICATE."

## HISTORICAL AND PRO FORMA OPERATING RESULTS AND DEBT SERVICE

### Historical Operating Results

The following table presents certain historical operating results of the System.

**TABLE 4**  
**SOLID WASTE SYSTEM**  
**HISTORICAL OPERATING RESULTS<sup>(1)</sup>**

	<i>2018-19</i>	<i>2019-20</i>	<i>2020-21</i>	<i>2021-22</i>	<i>2022-23<sup>(2)</sup></i>
<b>Revenues</b>					
Solid Waste Resources Fee and Extra Capacity Fee	\$289,509,415	\$293,282,808	\$268,421,296	\$276,695,763	\$285,000,000
Reimbursement From Other Funds/Departments <sup>(3)</sup>	79,461,953	29,533,930	27,709,584	21,102,003	12,462,000
Lifeline Program	5,734,144	7,112,766	2,844,085	3,163,918	10,259,000
Miscellaneous Other Revenues	7,196,915	17,338,072	9,962,409	9,916,713	4,613,000
Interest	<u>2,490,377</u>	<u>2,983,389</u>	<u>1,399,087</u>	<u>797,491</u>	<u>982,000</u>
<b>Total Revenues</b>	<b>\$384,392,804</b>	<b>\$350,250,965</b>	<b>\$310,336,461</b>	<b>\$311,675,888</b>	<b>\$313,316,000</b>
<b>Expenditures</b>					
Debt Service	\$ 42,906,230	\$ 47,503,250	\$ 28,696,425	\$ 23,953,175	\$ 24,159,175
Expenditures <sup>(4)</sup>	336,223,979	337,852,984	360,683,809	338,634,049	372,645,825
Capital Infrastructure	<u>8,706,367</u>	<u>900,032</u>	<u>225,797</u>	<u>206,939</u>	<u>200,000</u>
<b>Total Expenditures</b>	<b>\$387,836,577</b>	<b>\$386,256,266</b>	<b>\$389,606,031</b>	<b>\$362,794,163</b>	<b>\$397,005,000</b>
General Fund Subsidies <sup>(5)</sup>	-	-	\$ 25,000,000	\$ 73,000,000	\$ 61,000,000
<b>Operating Cash</b>					
Beginning Cash Balance	161,750,054	158,306,281	122,300,980	68,031,410	89,913,135
Change in Operating Cash	(3,443,773)	(36,005,301)	(54,269,570)	21,881,725	(22,689,000)
<b>Ending Cash Balance</b>	<b>\$158,306,281</b>	<b>\$122,300,980</b>	<b>\$ 68,031,410</b>	<b>\$ 89,913,135</b>	<b>\$ 67,224,135</b>

<sup>(1)</sup> Cash basis.

<sup>(2)</sup> Estimated.

<sup>(3)</sup> Reimbursement from Other Funds/Departments primarily reflects payments to the SWR Revenue Fund from other City funds and departments for refuse collection services provided by the Bureau of Sanitation at various City facilities. Also includes reimbursements to the SWR Revenue Fund from revenues derived from the MFBI Fee for operational costs allocable to the Bulky Item Collection Program and the MFBI Reimbursement, as well as transfers from the Solid Waste Resources Revenue Bonds Series 2018-A Acquisition Fund to the SWR Revenue Fund for front funding vehicle purchases in Fiscal Years 2018-19 and 2019-20. In addition, there is a \$9 million reimbursement of costs of the Solid Waste Resources Fee arrearages forgiveness program from American Rescue Plan funding for utility debt relief in Fiscal Year 2021-22. See "SOLID WASTE RESOURCES FEE AND OTHER REVENUES—Reimbursements From City Departments and Other Funds."

<sup>(4)</sup> Expenditures reflect the full cost of operating the System, including certain related costs that are paid directly from the General Fund, which costs are reimbursed to the General Fund by SWR Revenue Fund to the extent funds are available in the SWR Revenue Fund for such reimbursement.

<sup>(5)</sup> Amount of related costs paid directly from the General Fund that would otherwise be payable from (or reimbursed to the General Fund by) the SWR Revenue Fund, such as pension costs, employee benefit costs, and other indirect costs of the System. Such amounts do not constitute Revenues within the meaning of the Amended and Restated Master Trust Agreement and historically have not been deposited in the SWR Revenue Fund. See "ELECTIVE PAYMENTS FROM THE CITY GENERAL FUND DO NOT CONSTITUTE REVENUES."

Source: City of Los Angeles, Bureau of Sanitation and the Office of the City Administrative Officer, Debt Management Group.

## Historical Debt Service Coverage

The following table shows the calculation of debt service coverage on an annual basis. As described in “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS,” the Amended and Restated Master Trust Agreement provides that all Revenues and all amounts on deposit in the SWR Revenue Fund are irrevocably pledged to the payment of the Bonds, and the Revenues shall not be used during any month of any Fiscal Year for any other purpose if any of the transfers for (1) debt service for the Bonds, (2) replenishment of the Reserve Fund for any Outstanding Covered Bonds, or (3) debt service for the Subordinated Obligations (if any) are delinquent; provided however that, subsequent to such monthly transfers, there may be apportioned such sums for such purposes as may be permitted to be paid from the SWR Revenue Fund out of the Revenues and other amounts on deposit in the SWR Revenue Fund constituting surplus for such month. The average monthly debt service amount for Fiscal Years 2018-19 through 2021-22, calculated as if the above monthly transfer requirements were in place, was approximately \$2.4 million. During the period from July 2019 through December 2022, average monthly Revenues were approximately \$23.4 million. Pursuant to the Amended and Restated Trust Agreement, General Fund subsidies described in Table 4 were not deposited in the SWR Revenue Fund and therefore did not constitute Revenues and were not available for payment of debt service on the Bonds.

**TABLE 5**  
**HISTORICAL DEBT SERVICE COVERAGE<sup>(1)</sup>**  
**(Dollar Amounts in Thousands)**

	<i>2018-19</i>	<i>2019-20</i>	<i>2020-21</i>	<i>2021-22</i>	<i>2022-23<sup>(2)</sup></i>
Solid Waste Resources Fee and Extra Capacity Fee	\$ 289,509	\$ 293,283	\$ 268,421	\$ 276,696	\$ 285,000
Interest	2,490	2,983	1,399	797	982
Other Revenues <sup>(3)</sup>	<u>30,881</u>	<u>45,728</u>	<u>40,516</u>	<u>34,183</u>	<u>27,334</u>
Total Revenues	\$ 322,880	\$ 341,994	\$ 310,336	\$ 311,676	\$ 313,316
Debt Service	\$ 42,906	\$ 47,503	\$ 28,696	\$ 23,953	\$ 24,159
Debt Service Coverage	7.53x	7.20x	10.81x	13.01x	12.97x

<sup>(1)</sup> Cash basis.

<sup>(2)</sup> Estimated.

<sup>(3)</sup> Other Revenues do not include reimbursements from the Solid Waste Resources Revenue Bonds Series 2018-A Acquisition Fund to the SWR Revenue Fund for front funding vehicle purchases in Fiscal Years 2018-19 and 2019-20.

Source: City of Los Angeles, Bureau of Sanitation and the Office of City Administrative Officer, Debt Management Group.

## Pro Forma Statement of Debt Service Coverage

The following table presents a projection of Revenues available to pay debt service payable on the Existing Bonds, including the Series 2023-A Bonds, in the Fiscal Years shown. The revenue projections assume that the Solid Waste Resources Fee and the Extra Capacity Fee remain at current levels with customer growth escalated 0.10% per year. See also “DEPARTMENT OF PUBLIC WORKS, BUREAU OF SANITATION SOLID WASTE OPERATIONS—Future Capital Projects.”

As described in “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS,” the Amended and Restated Trust Agreement provides that all Revenues and all amounts on deposit in the SWR Revenue Fund are irrevocably pledged to the payment of the Bonds, and the Revenues shall not be used during any month of any Fiscal Year for any other purpose if any of the transfers for (1) debt service for the Bonds, (2) replenishment of the Reserve Fund for any Outstanding Covered Bonds, or (3) debt service for the Subordinated Obligations (if any) are delinquent; provided however that, subsequent to such monthly transfers, there may be apportioned such sums for such purposes as may be permitted to be paid from the SWR Revenue Fund out of the Revenues and other amounts on deposit in the SWR Revenue Fund constituting surplus for such month. The average monthly debt service amount for the years shown in the following table (which



includes projected debt service with respect to the Series 2023-A Bonds) is approximately [\$3.6 million]\* and the average monthly Revenues for the period shown in the following table is projected to be approximately \$24 million. See “ELECTIVE PAYMENTS FROM THE CITY GENERAL FUND DO NOT CONSTITUTE REVENUES,” and “HISTORICAL AND PRO FORMA OPERATING RESULTS AND DEBT SERVICE - Historical Operating Results.”

**TABLE 6**  
**PRO FORMA STATEMENT OF DEBT SERVICE COVERAGES**  
**(Dollar Amounts in Thousands)**

	2023-24	2024-25	2025-26	2026-27	2027-28
<b>Revenues</b>					
Solid Waste Resources Fee and Extra Capacity Fee <sup>(1)</sup>	\$ 287,000	\$ 287,287	\$ 287,574	\$ 287,862	\$ 288,150
Interest	400	200	150	100	50
Other Revenues <sup>(2)</sup>	<u>24,643</u>	<u>22,444</u>	<u>22,491</u>	<u>22,519</u>	<u>22,504</u>
Total Revenues	\$ 312,043	\$ 309,931	\$ 310,215	\$ 310,481	\$ 310,704
<b>Debt Service<sup>(3)</sup></b>					
Series 2013-A Bonds	\$ 7,627	\$ 9,630	\$ 9,428	\$ 9,225	\$ -
Series 2013-B Bonds	1,031	1,033	1,032	1,036	1,032
Series 2015-A Bonds	4,906	-	-	-	-
Series 2018-A Bonds	10,595	10,596	10,594	10,595	10,593
Series 2023-A Bonds*	<u>21,000</u>	<u>21,000</u>	<u>21,000</u>	<u>21,000</u>	<u>21,000</u>
Total Debt Service	\$ 45,159	\$ 42,258	\$ 42,054	\$ 41,856	\$ 32,625
<b>Debt Service Coverage</b>	6.91x	7.33x	7.38x	7.42x	9.52x

\* Preliminary, subject to change. [Revise debt service for Series 2023-A Bonds to reflect NTE amounts. To come from JPM.]

(1) Based on amounts proposed by the Bureau of Sanitation for the Fiscal Year 2023-24 budget, reflecting recent collection rates. Future years escalated by 0.10% per year.

(2) Consists of reimbursements from other funds, state grants, sale of recyclables, and miscellaneous revenues. Does not include the General Fund subsidies reflected in Table 4, which would not constitute Revenues pursuant to the Amended and Restated Trust Agreement or be deposited in the SWR Revenue Fund.

(3) Comprised of debt service payments on August 1 and the following February 1 occurring in the applicable Fiscal Year.

Totals may not add due to rounding.

Source: City of Los Angeles, Bureau of Sanitation and the Office of City Administrative Officer, Debt Management Group

Although the Amended and Restated Master Trust Agreement permits the City to issue Additional Bonds and Subordinated Obligations subject to the satisfaction of certain conditions set forth therein, the City does not currently have any plans to issue Additional Bonds or Subordinated Obligations during the projection period. See “DEPARTMENT OF PUBLIC WORKS, BUREAU OF SANITATION SOLID WASTE OPERATIONS—Future Capital Projects.”

**DEPARTMENT OF PUBLIC WORKS,  
BUREAU OF SANITATION SOLID WASTE OPERATIONS**

**General**

The City collects refuse, organic material (yard trimmings and food scraps), and recyclables throughout the City from single family dwellings and smaller multi-family dwellings (typically from buildings of four or fewer units) where containers are placed at the curb. The Solid Waste Resources Fee, which is the primary component of Revenues, however, is imposed on all single family dwellings in the City and those multi-family dwellings for which the City provides solid waste collection services regardless of whether

\* Preliminary, subject to change.

containers are placed at the curb. Commercial businesses and multi-family dwellings (not serviced by the Bureau of Sanitation) are currently provided service through franchise waste haulers. The City is currently evaluating the feasibility of expanding solid waste service to some or all of the commercial businesses and/or multi-family dwellings in the City, to ensure waste diversion, recycling, and organics collection objectives are met in the City.

### **Organization and Management**

The Board of Public Works manages and controls the Department of Public Works, which administers the City's solid waste and solid resources collection and disposal programs, and is responsible for the following bureaus and office: Contract Administration, Engineering, Sanitation, Street Lighting and Street Services and the Office of Accounting. The Board of Public Works consists of five full-time salaried members appointed by the Mayor, and confirmed by the City Council, for a term of four years. The Board of Public Works advertises and invites proposals for bids, awards contracts for the construction of public buildings and coordinates the issuance of certain activity permits for use of City-owned property.

The Bureau of Sanitation is responsible for the collection, management and disposal of all solid waste and other solid resources, including its own residential collection programs and services. The Bureau of Sanitation also has responsibility for the operation and maintenance of all facilities required for the conveyance and treatment of wastewater, including industrial waste enforcement, for maintenance of local storm drains, and for the reduction of pollutants in urban runoff.

The Office of Accounting prepares accounting documents, maintains budget data and cost accounts for the Public Works bureaus, and accounts for special funds affecting Public Works activities, including the Series 2023-A Acquisition Fund and the SWR Revenue Fund. The Office of Accounting also prepares and maintains a record of Public Works payroll data, maintains records of accounts receivable and payable, prepares statements and issues reports for use by management to control expenditures and operations, and develops and installs cost systems for various public works projects.

### **Labor and Employment**

Several City departments and bureaus contribute labor to the operation of the System. See “— Organization and Management” above. The Bureau of Sanitation's workforce is 99% unionized. Most of the Bureau of Sanitation's employees are represented by bargaining units that are members of the Coalition of Los Angeles City Unions. Current contracts are in place through 2023. Negotiations are underway for approximately 18 successor Memoranda of Understanding (“MOU”). After an MOU expires, the terms continue to be observed during negotiations of a new contract unless a provision has a specific termination date. See APPENDIX A—“CITY OF LOS ANGELES GENERAL INFORMATION—BUDGET AND FINANCIAL OPERATIONS—Labor Relations” attached hereto.

### **Retirement and Other Postemployment Benefits Contributions**

Employees of the Bureau of Sanitation workforce are members of the Los Angeles City Employees' Retirement System (“LACERS”). A portion of the costs incurred by the Bureau of Sanitation include payment to the City for various costs related to the System, including, among other things, contributions to LACERS for retirement benefits and other postemployment healthcare benefits (“OPEB”) of City employees who work on the System, which are attributable to the SWR Revenue Fund. As discussed under the caption “ELECTIVE PAYMENTS FROM THE CITY GENERAL FUND DO NOT CONSTITUTE REVENUES,” the General Fund has in certain years (including since Fiscal Year 2020-21 and continuing in the current Fiscal Year) paid these costs directly, without reimbursement from the SWR Revenue Fund. For a discussion of funding of the LACERS retirement benefits and OPEB, see APPENDIX A—“CITY OF LOS ANGELES GENERAL INFORMATION—RETIREMENT AND PENSION SYSTEMS,” attached hereto.

**Solid Waste Collection**

The City provides solid waste collection service to approximately 735,000 households within six collection districts: East Valley, West Valley, West Los Angeles, North Central Los Angeles, South Los Angeles, and Harbor. The 735,000 households serviced by the Bureau of Sanitation represent single family dwellings, duplexes and multi-family dwellings of four units or less. Collection service is accomplished by a fleet of over 721 heavy-duty vehicles. Each solid waste collection district of the City is further divided into sub-districts. Refuse, recycling, organics, and bulky item collection service is completed in each sub-district one weekday per week, with the exception of certain holiday weeks where collection service may be completed over the weekend. The district is supervised by a district superintendent and their staff. Additional personnel assist with the collection of dead animals and white goods (e.g., appliances composed of metal and composite materials). The Bureau of Sanitation’s vehicles, including solid resources collection equipment, are maintained by the Fleet Services Division of the City’s General Services Department. On average the City collects 3,400 tons per day of refuse, 1,600 tons per day of organics and 860 tons per day of recyclables.

Residents in need of bulky item collections are instructed to call the Bureau of Sanitation’s citywide toll free number to schedule collections. Bulky Item truck drivers are deployed according to requests for service and reports of abandoned items. In addition to scheduled requests, collections result from reports of illegal dumping, proactive sweeps, and neighborhood clean-up events. Neighborhood sweeps are conducted in areas with frequent reports of abandoned items and upon requests by City Council and Neighborhood Council representatives.

The City has been collecting nearly all household solid waste through an automated collection process since August 1995. Automated collection is accomplished by a special-purpose vehicle having a mechanical arm which can grasp a 60 or 90 gallon wheeled plastic container, lift and empty the container into the body of the truck and then place the container back on the ground. Automated collection eliminates manual lifting by the operator and enables a single driver to collect from at least twice as many dwellings as compared to manual collection.

In addition, the Bureau of Sanitation provides solid waste services and recycling collection to all City Departments. The Bureau of Sanitation plans to expand the services and provide organic waste collection to City Departments that request the service.

Customers can report damaged or missing containers and request their replacement. Each year the Bureau of Sanitation replaces approximately 179,000 solid waste containers.

The table below shows the amount of solid waste collected by type of materials.

**TABLE 7  
ANNUAL SOLID WASTE COLLECTIONS  
(in tonnage)**

<i>Fiscal Year</i>	<i>Organics</i>	<i>Recyclables<sup>(1)</sup></i>	<i>Refuse</i>	<i>Total</i>
2017-18	414,975	207,782	942,212	1,564,969
2018-19	420,857	210,139	957,331	1,588,327
2019-20	458,752	229,290	997,139	1,685,181
2020-21	421,095	262,618	1,039,056	1,722,769
2021-22	380,917	246,523	993,843	1,621,283

<sup>(1)</sup> Includes tonnage collected from all Solid Waste programs, including contaminated recyclables that must be disposed of in a landfill.

Source: City of Los Angeles, Bureau of Sanitation.

## **Recycling Material Collection**

The City began its recycling program in 1989 with the adoption of the “Recycling Implementation Plan.” The same year, the State passed Assembly Bill (“AB”) 939, which established a mandate to achieve a waste diversion rate of 25% by the year 1995 and 50% by the year 2000. See “REGULATION—Recycling Regulations Including the California Integrated Waste Management Act.” The City exceeded these goals with diversion rates of 44% in 1995, and 60% in 2000. This act was modified in 2008 by the passage of Senate Bill 1016, which modified the method for determining compliance with the measure from a diversion rate calculation, to a disposal measurement system. The City is in compliance with all requirements regarding program implementation, and had a diversion rate equivalent to 76% when the last diversion study was conducted in 2012. The City has not performed diversion studies since 2012 because such efforts require intense resources which make it cost prohibitive and challenging.

The Bureau of Sanitation also provides blue bin recycling containers to schools in the Los Angeles Unified School District within the City limits at no cost to the district and uses the program as an educational tool to teach elementary school students about recycling. Materials accepted for blue bin recycling include glass, plastic containers (#1, #2 and #5), bi-metal cans, metal hangers, aluminum, empty paint and aerosol cans, and any color or type of uncontaminated paper products.

## **Organics Material Collection**

In 2016, the State passed SB 1383 to reduce short-lived climate pollutants as another step to combat global warming and greenhouse gas emissions. The bill sought to achieve reductions in statewide emissions of methane by 40%, hydrofluorocarbon gasses by 40%, and anthropogenic black carbon by 50% below the 2014 levels by 2030. Specific organic reduction goals were carved out in SB 1383 to reduce the statewide disposal of organics by 50% by 2020, and by 75% by 2025 compared to the 2014 levels. SB 1383 also requires that no less than 20% of edible food that is currently disposed of is recovered for human consumption by 2025. In December 2020, CalRecycle finalized the regulations to meet the SB 1383 targets. The final regulations have prescribed programs for jurisdictions to follow, including technologies, education, bin labeling, reporting, enforcement, and procurement requirements.

On January 16, 2023, the Bureau of Sanitation expanded the organic waste collection and composting program from 40,000 households to all 735,000 households serviced by the Bureau of Sanitation. City residents can now divert food scraps, food soiled paper, fruits, vegetables, dairy, eggshells, stale bread, cereal, grains, rice, pasta, beans, meat, bone, fish, and similar items from the black bin designated for waste that will go into landfills into the green bin, thereby reducing the amount of organics being sent to landfills and reducing methane emissions.

In order to achieve the goals set by the City and SB 1383, various programs are being developed and implemented by the Bureau of Sanitation including the establishment of food scrap drop-off locations at farmers markets and local composting hubs, recovering edible food, and leading by example through Zero-Waste City events and City facilities. These programs align with the goals and requirements set out in SB 1383.

The Bureau of Sanitation’s curbside recycling and organics programs (OrganicsLA) represent a significant component of the City’s successful diversion of material from landfills into beneficial reuse.

## **Exclusive Commercial and Multi-Family Solid Waste Franchise System**

In 2017, the Bureau of Sanitation awarded exclusive franchises (known as “recycLA”) to seven franchise waste haulers to provide service to commercial businesses and multi-family dwellings (generally consisting of five units or more) which do not receive solid waste service from the Bureau of Sanitation. In 2022, one of the franchise waste haulers acquired another hauler and their zone; as such, there are currently six

franchise waste haulers operating in the City. The franchise agreements expire on January 31, 2027 and include two five-year renewal options. The franchise waste haulers are responsible for their own billings and collections. The City does not bill or receive any funds from franchised customers.

In addition, pursuant to the franchise agreements, franchise waste haulers are required to pay a franchise fee to the City. Furthermore, the franchise waste haulers who are required to obtain an AB 939 compliance permit must pay a fee to the City equal to 10% of their annual gross receipts (the “AB 939 Fee”). The franchise fees and the AB 939 Fee are not deposited in the SWR Revenue Fund and are not pledged to, or otherwise available for, payment of debt service on the Bonds.

Starting in 2024, pursuant to SB 1383, all commercial businesses and multi-family dwellings will be required to have organics bins. Exemptions are allowed for accounts that lack space or have de minimis amounts of organic waste. See “REGULATION—Federal and State Laws Governing Solid Waste Disposal.”

In 2017, certain plaintiffs filed a class action claim in Superior Court alleging the franchise fee collected by the City from the franchise waste haulers for the rights to service commercial businesses and multi-family dwellings should be treated as taxes under Proposition 218, and therefore require voter approval. The litigation is still ongoing. Due to the unsettled nature of the law, an assessment of liability, if any, is difficult to ascertain. However, if the City loses, it could be required to pay back all franchise fees collected to date by the General Fund, and to cease collection of the franchise fees going forward.

### **Construction and Demolition Debris**

In December 2010, the City adopted a mandatory construction and demolition recycling ordinance, which directs all mixed construction waste to recycling facilities.

### **Environmental Ordinances**

The City adopted several ordinances in 2013, including a ban on single use plastic bags and placing a \$0.10 charge on paper bags in certain retailers, mirroring a policy adopted by the majority of neighboring jurisdictions. In addition, the City Council has adopted several ordinances related to reducing plastic waste at its source. These ordinances include eliminating the distribution of plastic straws and single-use foodware accessories at restaurants unless requested by the customer, the distribution of single-use carryout plastic bags at stores and shops, the sale and distribution of expanded polystyrene products, as well as transforming all City facilities and sponsored events to zero waste.

### **Solid Waste Disposal**

Since MSW disposal operations ceased at the City-owned Lopez Canyon Landfill in 1996, City-collected refuse has been disposed at the Sunshine Canyon Landfill and El Sobrante Landfill.

In June 2021, the City approved new landfill disposal service contracts with Brown-Ferris Industries of California (a Republic Services Company) for the majority of City-collected refuse to be disposed of at the Sunshine Canyon Landfill and USA Waste California dba Waste Management for City-collected refuse from the North Central Collection District to be disposed of at the El Sobrante Landfill. These contracts, which began in July 2021, allow the City to deliver residual MSW to these facilities for 10 years with the City’s sole option to extend the contracts for an additional five-year term. Service fees associated with these contracts are adjusted annually based on the Consumer Price Index.

### **Transfer and Processing Facilities**

**Transfer Stations.** There are few local landfills available to the City for direct haul by the City’s fleet of refuse collection vehicles. The City depends on the use of solid waste transfer stations to increase on route

time and reduce travel time to and from the landfills. City refuse collection trucks directly haul municipal solid waste (“MSW”) collected from the northern area (West and East Valleys) of the City to the Sunshine Canyon Landfill located in Granada Hills. MSW from the rest of the City is delivered to the Central Los Angeles Recycling and Transfer System (“CLARTS”), the Falcon Disposal Transfer Station, and the Southern California Disposal (“SCD”) Transfer Station where it is transferred into transfer trailers (22 tons per load) for transport to and disposal at Sunshine Canyon Landfill or to El Sobrante Landfill located in Riverside County.

The City currently delivers an average of 200 tons per day (“tpd”) of MSW collected from the Harbor Collection District to the Falcon Transfer Station for disposal at the Sunshine Canyon Landfill. The City pays a tipping fee of \$55.23 per ton to Republic Services Company for the transfer of MSW at the Falcon Transfer Station and disposal of the MSW at the Sunshine Canyon Landfill. The City also transfers a daily average of 350 tons of MSW collected from the West Los Angeles Collection District at the SCD Transfer Station for disposal at the Sunshine Canyon Landfill. The City pays \$70.84 per ton to SCD for the transfer and disposal of refuse at the Sunshine Canyon Landfill.

CLARTS is located southeast of downtown Los Angeles. The City owns and operates CLARTS. CLARTS is completely enclosed and utilizes a 40,000 square foot tipping floor with two transfer tipping ports. CLARTS has a permitted capacity of 4,025 tpd. CLARTS operates six days per week, trans-loading an average of 3,300 tpd of MSW.

The Bureau of Sanitation uses CLARTS to transfer the residential MSW collected within the North Central, South Los Angeles, and West Los Angeles Solid Waste Collection Districts for disposal at Sunshine Canyon and El Sobrante Landfills. A daily average of 2,000 tons of City-collected MSW is transferred from CLARTS, and disposed of at the Sunshine Canyon Landfill and at El Sobrante Landfill. In addition, an average 100 tpd of privately hauled refuse is brought to CLARTS for transfer and disposal at Sunshine Canyon Landfill. Also, an average of 200 tpd of privately hauled refuse is delivered to CLARTS for trans-loading into tractor/trailers owned or contracted by the franchise waste hauler (subject to a fee paid by the franchise waste haulers which is not deposited into the SWR Revenue Fund and does not constitute Revenues), and an average of 300 tpd of City-collected organic waste is transferred for processing at the Recology composting facility in Lamont, California.

***Organic Recycling Facilities.*** The Lopez Canyon Environmental Center (formerly known as the Lake View Terrace Green Recycling Facility) began operations in December 2003 on a closed portion of the Lopez Canyon Landfill. The facility is presently in the process of acquiring a permit to compost food and organic waste collected from the City’s curbside. The compost will be made available and distributed at several sites throughout the City for public use at no cost. Also, the compost will be distributed to agricultural nonprofit end users in Los Angeles and to local colleges and universities.

***Collection Yards.*** To service its solid waste rate payers, the Bureau of Sanitation operates and maintains six solid waste collection yards. The yards are located in East Valley, West Valley, West Los Angeles, North Central, South Los Angeles and Harbor. The solid waste collection vehicles are parked and maintained at these yards. The yards also provide offices for administrative and maintenance staff as well as personal hygiene facilities, showers, gyms and lockers. In addition, the yards are equipped with fuel dispensers for unleaded gasoline, diesel, liquefied and compressed natural gas. Most of the collection yards were built over 30 years ago, prior to current regulations regarding environmental health and safety and seismic stability.

***Solvent Automotive Flammables Electronics (S.A.F.E.) Centers.*** The Bureau of Sanitation has established programs for residents of the City and Los Angeles County to safely dispose of their household hazardous waste (HHW) and electronic waste (E-waste). Los Angeles County pays a share of the cost of these programs, which payments are not deposited into the SWR Revenue Fund and do not constitute Revenues. These wastes can be dropped off at permanent collection sites known as S.A.F.E. Centers or mobile collection events located throughout the City. HHW is special waste items, such as paint, batteries, used motor oil, household cleaning products, medications, and needles, that cannot be disposed of in municipal landfills. E-

waste includes televisions, computers, monitors, cell phones, printers, and other devices that require special handling and recycling to dispose of properly. The S.A.F.E. Centers service over 1.4 million households and collects over 5,500 tons of HHW and E-waste annually. Consequently, these facilities are operating over capacity, utilizing temporary structures (such as pop-up tents) and outdated security camera equipment. The hazardous waste storage lockers are experiencing significant weathering due to long natural elements exposure.

There are seven S.A.F.E. Centers operated by the City, of which six are city-owned facilities and one is a leased facility. The first S.A.F.E. Center was constructed in 2002. Since the inception of this program, the participation and volume of waste collected have significantly increased. The awareness and consciousness of properly and safely disposing of HHW and E-waste continue to grow among the City of Los Angeles communities. For example, the Gaffey S.A.F.E. Center, located in San Pedro, is one of the highest participating S.A.F.E. Centers, collecting over 750 tons of HHW and E-waste annually, and is considered a “temporary” facility where no permanent structure (i.e., roof, walls) nor water and sewer line exists. Upgrades and improvements are planned at the Gaffey S.A.F.E. Center to convert this into a permanent facility. Repairs and improvements are also planned for all of the S.A.F.E. Centers. See “PLAN OF FINANCE” and “—Future Capital Projects.”

### **Alternative Clean Fuel Program**

In June 2000, the City adopted a Clean Fuel Policy as part of its effort to reduce air toxins and pollutant emissions, and recommended support of Southern California Air Quality Management District’s (“SCAQMD”) Proposed Rule 1193 (“Rule 1193”). Rule 1193 requires solid waste collection fleet operators with 15 or more solid waste collection vehicles to acquire alternative-fuel solid waste collection heavy-duty vehicles when procuring or leasing such vehicles.

Consistent with the Clean Fuel Policy and in furtherance of the City’s role as a leader in the clean air arena, the Bureau of Sanitation has constructed fueling stations at five of its collection yards that provide liquid natural gas (“LNG”) and/or compressed natural gas (“CNG”) to the Bureau of Sanitation and other City departments operating in the vicinity of the fueling stations. The sixth collection yard (Harbor yard fleet) utilizes a private fueling LNG/ CNG station to fuel its vehicles. Furthermore, the Bureau of Sanitation retrofitted its remaining diesel-powered solid waste collection trucks with particulate traps in conjunction with the use of ultra-low-sulfur diesel.

### **Future Capital Projects**

The following table shows the capital improvement program for the System through Fiscal Year 2025-26, including anticipated future capital projects and equipment purchases. Facilities costs are adjusted to reflect an inflation rate of 5.0% per annum. The capital projects are subject to future Mayor and City Council review and approval. The costs of the capital improvements identified in Table 8 are expected to be paid from the proceeds of the Series 2023-A Bonds and other available funds.

**TABLE 8  
PROPOSED CAPITAL IMPROVEMENT PROGRAM AND EQUIPMENT  
FOR SOLID WASTE SYSTEM**

	<i>2022-23</i>	<i>2023-24</i>	<i>2024-25</i>	<i>2025-26</i>
<u>Current CIP Projects</u>				
CLARTS Air Conditioning Upgrades	\$ 44,000	\$ -	\$ -	\$ -
CLARTS Exit Scale House	120,000	-	-	-
CLARTS Roof Replacement and Solar Panel Project	<u>4,100,000</u>	<u>3,000,000</u>	-	-
Subtotal Current CIP	\$ 4,264,000	\$ 3,000,000	\$ -	\$ -
<u>Proposed CIP Projects</u>				
S.A.F.E. Center Improvements	\$ -	<u>\$ 1,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 1,500,000</u>
Subtotal Proposed CIP	\$ -	\$ 1,000,000	\$ 2,000,000	\$ 1,500,000
Subtotal Capital Facilities	\$ 4,264,000	\$ 4,000,000	\$ 2,000,000	\$ 1,500,000
<u>Equipment</u>				
Automated Solid Resources Containers	\$ -	\$ 17,500,000	\$ 17,500,000	\$ -
Automated Collection Vehicles and Other Equipment	-	<u>35,000,000</u>	<u>75,000,000</u>	<u>48,604,000</u>
Subtotal Equipment	\$ -	\$ 52,500,000	\$ 92,500,000	\$ 48,604,000
<b>Total Capital Facilities and Equipment</b>	<b>\$ 4,264,000</b>	<b>\$ 56,500,000</b>	<b>\$ 94,500,000</b>	<b>\$ 50,104,000</b>

Source: City of Los Angeles, Bureau of Sanitation.

**Provision for City Landfill Post-Closure Maintenance Costs**

The City operated the Lopez Canyon Landfill until 1996, at which time it closed the Lopez Canyon Landfill in accordance with State and federal laws. These laws require the City to monitor and maintain the Lopez Canyon Landfill until 2042, to recognize a liability for the estimated total cost of such post-closure maintenance period, and to provide a financial mechanism to assure payments of such costs when required. Post-closure activities include the following: landfill gas collection and monitoring, road construction and repair, deck repair, storm water compliance, landfill flare systems maintenance and upgrades, maintenance of support facilities (e.g., office trailers, storage containers, and mechanic’s shop), and development into active recreational facilities. As of June 30, 2022, the City’s post-closure liability of \$41.6 million is comprised of \$39.5 million post-closure care costs of the Lopez Canyon Landfill and \$2.1 million corrective action costs for foreseeable releases of contaminants. For the purposes of satisfying certain requirements under California law to demonstrate to CalRecycle adequate financial assurances for such costs, the City previously entered into an agreement with CalRecycle (as amended from time to time, the “CalRecycle Pledge Agreement”). Under the CalRecycle Pledge Agreement, the City purports to pledge revenues in the SWR Revenue Fund for such purpose. Any such pledge is subordinate to the pledge and lien on the Revenues and the SWR Revenue Fund in favor of the Bonds under the Amended and Restated Master Trust Agreement. The estimated costs of post-closure care are subject to changes due to inflation, changes in laws and regulations, or changes in technology.

The City owns and maintains other landfills that were already closed before the State and Federal requirements became enforceable. Therefore, no liability was included in the financial statements for these landfills (Toyon Canyon, Gaffey, Bishops Canyon and Sheldon-Arleta). The Landfill Closure and Post-Closure Maintenance Trust Fund, reported as a nonmajor other special revenue fund, was set up to defray the closure and post-closure maintenance costs of City landfills. The Landfill Closure and Post-Closure Maintenance Trust Fund has a current balance of approximately \$8 million, sourced primarily from revenue from the sale of the Lopez Canyon Landfill gas collection system and interest income.



## REGULATION

### Federal and State Laws Governing Solid Waste Disposal

Since the passage of the Hazardous and Solid Waste Amendments of 1984 (“HSW Amendments”) to the Resource Conservation and Recovery Act of 1976 (“RCRA”), the emphasis of the Federal waste regulatory program has been the reduction of waste volumes and encouragement of recycling and treatment of waste instead of land disposal. The HSW Amendments prohibit the land disposal of untreated hazardous waste. Restrictions on land disposal of certain hazardous waste became effective in 1986, 1987, 1988 and 1989. These restrictions identified treatment levels that the waste must meet before it can be land disposed. See “CERTAIN RISK FACTORS—Hazardous Waste.”

Since its enactment, RCRA included the authority for the Environmental Protection Agency (“EPA”) to control the disposal of solid waste, as well as the management of hazardous waste. In the past, the EPA relied on general solid waste management guidelines and did not develop a comprehensive solid waste regulatory program. The regulatory framework covering solid waste management was developed by individual states and the stringency of these frameworks was highly variable. In August 1988, the EPA proposed comprehensive location, design, operating, groundwater monitoring, corrective action, closure and post-closure, and financial assurance criteria for municipal solid waste landfills. The EPA released final criteria referred to as “Subtitle D” regulations whereby the states were required to develop state regulatory programs at least as stringent as the EPA’s criteria. In 1993, the State of California adopted the EPA criteria with minor and stricter revisions. Currently, the regulatory regime for controlling solid waste management is substantially similar to that in place for hazardous waste management facilities.

The HSW Amendments to RCRA have substantially increased the quantity of hazardous waste brought under regulation, including large quantities of organic waste that were brought under the regulatory system for the first time in 1990. Land disposal regulations require increased use of treatment technologies and the Federal “Subtitle D” landfill regulations have resulted in the closure of a significant number of smaller, older existing landfills, increasing the demand for solid waste capacity at other landfills that comply with the new regulations. The EPA’s financial responsibility regulations require owners or operators of hazardous waste facilities to demonstrate financial assurance for sudden and accidental pollution occurrences. For facilities with surface impoundments, landfills and land treatment units, the owner or operator must also demonstrate financial assurance for non-sudden or gradual pollution occurrences.

State regulations also require owners and operators of waste facilities to provide financial assurance of their ability to cover the estimated costs of proper closure and post-closure monitoring and maintenance of these facilities. See “DEPARTMENT OF PUBLIC WORKS, BUREAU OF SANITATION SOLID WASTE OPERATIONS—Provision for City Landfill Post-closure Maintenance Costs.”

Pursuant to California Code of Regulations Chapter 23, Section 66273.1 *et seq.* effective February 8, 2006, the regulatory exemption that allowed households and conditionally exempt small quantity generators (“CESQG”) to dispose of universal waste in the refuse stream had expired making it unlawful to dispose of universal waste in the trash. Under California Health and Safety Code Section 25163(e), a solid waste operator who unknowingly transports hazardous waste to a solid waste facility, incidental to the collection of solid waste is not subject to hazardous waste transporter registration requirements. A solid waste transporter that discovers, after the fact, that it has unknowingly transported universal waste in a load of solid waste may have the universal waste removed at the solid waste facility and manage it as part of the facility’s load check program in accordance with the State of California, Department of Toxic Substances Control’s regulations.

The Bureau of Sanitation is responsible for the implementation of the City’s Household Hazardous, Electronic, and Universal Waste programs which serve residents and CESQG with collection points and proper management and recycling or disposal. The City has seven permanent S.A.F.E. Centers that are available year-round to residents and CESQG. In addition, several one-day events are held to collect and manage these

materials. Partnerships with many retailers have resulted in convenient drop-off locations for materials such as used motor oil, batteries, cell phones, and other materials that are banned from landfill disposal.

### **Regulatory Agencies**

Certain regulatory agencies, including CalRecycle (formerly known as the California Integrated Waste Management Board), the County Department of Health Services (the “CHSD”), the SCAQMD, the Los Angeles Regional Water Quality Control Board (the “RWQCB”), the City’s Local Enforcement Agency (“LEA”), and the Tri-Technical Advisory Committee (the “TRI-TAC”) representing the League of California Cities, the California Association of Sanitation Agencies and the California Water Pollution Control Association, are involved in developing plans and monitoring compliance with Federal RCRA requirements associated with solid waste disposal operations. The CHSD, SCAQMD and RWQCB are responsible for issuing permits to apply minimum standards for control of pollution involving the environment that typically arise during the handling of solid wastes.

### **Recycling Regulations Including the California Integrated Waste Management Act**

Revisions to State law constituting the California Integrated Waste Management Act of 1989 (“AB 939”), which became effective January 1, 1990, among other things, directs all California cities and counties to maximize all feasible source reduction, recycling and composting options in order to reduce the amount of solid waste that must be disposed by transformation (through waste-to-energy projects or other processes) and land disposal.

By January 1, 1995, each city in the State was required to achieve a 25% reduction, through waste reduction or recycling, in solid waste disposed of in landfills or by incineration. A 50% reduction was required to be achieved by January 1, 2000. Cities are responsible for these goals and are given the right and responsibility under state law to manage their solid waste systems. Cities could face monetary fines of up to \$10,000 per day or up to \$3.65 million per year if CalRecycle deems local plans to be inadequate or if localities fail to satisfactorily implement programs to achieve the 25% and 50% goals.

Under AB 939, each city was required to submit four reports: (1) a waste characterization study, which categorizes the wastestream of the city, (2) a Source Reduction and Recycling Plan (“SRRP”), which details the means by which the city will achieve, finance and document the mandated 25% and 50% goals through source reduction, recycling and composting; anticipated revenues, costs and revenue sources; and the proposed program for education and public information, (3) a Household Hazardous Waste Element (“HHWE”), which outlines the city’s efforts to reduce the amount of household hazardous wastes reaching landfills through safe collection and recycling or proper disposal and (4) a Non-Disposal Facility Element (“NDFE”), which describes the nondisposal facilities such as transfer stations and composting facilities which exist in the jurisdiction.

To demonstrate compliance with the 50% waste diversion mandate by the year 2000, the City conducted a series of studies including audits of over 500 Los Angeles businesses and surveys of waste diversion facilities, non-City government facilities, City departments, landscapers and contractors. The results of the diversion study demonstrated that the City of Los Angeles achieved a 60% diversion rate for the year 2000 and complied with AB 939.

Additional California legislation modified the requirements for recycling and waste diversion. In 2011, AB 341 was adopted by the State Legislature, which requires mandatory recycling programs for all commercial and industrial businesses that generate more than four cubic yards of waste per week, as well as all multi-family buildings of five or more units. Also, AB 1826 was adopted in 2014. AB 1826 expanded the requirements of AB 939 to include the diversion of organic materials such as yard trimmings and food from landfill disposal from large multi-family complexes and commercial businesses of a certain size.

Implementation of the new franchise system is designed to continue the City's compliance with these regulations.

The City also led an effort to partner with other jurisdictions in the County by creating a joint powers authority to cooperatively monitor and report on compliance with AB 939 and new regulations, as well as conduct joint public education, outreach, and recognition programs. The Los Angeles Area Regional Agency ("LARA") was approved by CalRecycle in 2003. LARA is administered by the Bureau of Sanitation. LARA members share the cost of data collection and annual reporting.

Annual reports are submitted to CalRecycle which include descriptions and results of program implementation. Every four years, CalRecycle determines the compliance, "good faith effort," or non-compliance of each jurisdiction or regional agency in the State. LARA, and its member cities, submit annual reports on time, and are in compliance.

### **SB 1383 – Organics Material Collection**

The Bureau of Sanitation is also responsible for the implementation of the requirements of SB 1383. SB 1383 is a statewide effort to reduce emissions of short-lived climate pollutants by reducing organic waste disposal 75% by 2025 from 2014 levels. Organic waste in landfills emits methane, a super climate pollutant 84 times more potent than carbon dioxide. Under SB 1383, jurisdictions are required to provide organic waste collection services to all residents and businesses beginning in 2022. Additionally, cities must facilitate a food rescue program that creates a 20% increase in the recovery of currently disposed edible food from large food generators. During the summer of 2022, the Bureau of Sanitation's curbside collection of compostable material was expanded from the initial 2019-2021 pilot program of 18,000 households to 40,000 households. On January 16, 2023, the Bureau of Sanitation expanded the program to all its approximately 735,000 residential households. City residents are encouraged to compost their food scraps together with yard trimmings, including sticks and leaves, through the City's curbside composting collection program. To help residents compost their food scraps, the City offers 2-gallon kitchen composting pails. The Bureau of Sanitation is currently composting organic waste through contractual arrangements with private facilities. The Bureau of Sanitation is considering long term options, which may include City-owned composting or other processing options. The cost of any such facilities may be material, and are not included in Table 6 – "PRO FORMA STATEMENT OF DEBT SERVICE COVERAGES" or Table 8 – "CAPITAL IMPROVEMENT PROGRAM AND EQUIPMENT FOR SOLID WASTE SYSTEM."

### **CERTAIN RISK FACTORS**

*The following describes certain special considerations and risk factors affecting the payment of and security for the Series 2023-A Bonds. The following discussion is not meant to be an exhaustive list of the risks associated with the purchase of any Series 2023-A Bonds and the order in which information is presented does not necessarily reflect the relative importance of the various risks. Potential investors in the Series 2023-A Bonds are advised to consider the following special factors along with all other information in this Official Statement in evaluating the Series 2023-A Bonds. There can be no assurance that other considerations will not materialize in the future.*

#### **Limited Liability**

THE SERIES 2023-A BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY AND ARE SECURED SOLELY BY AND PAYABLE FROM A PLEDGE OF THE REVENUES, MONEYS ON DEPOSIT FROM TIME TO TIME IN THE SWR REVENUE FUND, AND CERTAIN FUNDS AND ACCOUNTS HELD BY THE TRUSTEE UNDER THE AMENDED AND RESTATED MASTER TRUST AGREEMENT AS DESCRIBED HEREIN. THE SERIES 2023-A BONDS DO NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF

TAXATION. THE SERIES 2023-A BONDS DO NOT CONSTITUTE A DEBT OR AN INDEBTEDNESS OF THE CITY, THE COUNTY OF LOS ANGELES, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS IN CONTRAVENTION OF THE CONSTITUTION OR STATUTES OF THE STATE.

The City is not required to advance any moneys derived from any source of income other than the Revenues and other sources specifically identified in the Amended and Restated Master Trust Agreement for the payment of amounts due thereunder or for the performance of any agreements or covenants required to be performed by it contained therein. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS— Limited Liability.”

The Series 2023-A Bonds are not secured by, and the Owners thereof have no security interest in or mortgage on, the System or any other assets of the City. Default by the City will not result in loss of the System or any other assets of the City. See APPENDIX B-1—“FORM OF AMENDED AND RESTATED MASTER TRUST AGREEMENT.”

### **Certain Factors Affecting Solid Waste Facilities**

In the solid waste service industry there are often unforeseeable risks and potentially substantial cost exposures associated with the establishment, ownership and operation of solid waste sanitary landfill sites and other types of waste recycling, processing and disposal facilities. These risk factors include, but are not limited to: (i) an increasing shortage of disposal capacity, coupled with the difficulty of public and private operators to obtain permits to expand or establish new sites and facilities and opposition to the location, expansion and operation of these facilities; (ii) increasing governmental activities at all levels that seek to restrict the operation of disposal facilities as well as the movement of waste for disposal; (iii) costs associated with liner requirements, leachate and methane gas control, greenhouse gas emission control, post-closure monitoring, site cleanup, other remedial work and maintenance and perpetual care obligations; (iv) alleged possible adverse effects on groundwater and the environment; (v) substantial regulatory compliance expenditures, fines or other sanctions and civil damage liabilities; (vi) demonstrating financial responsibility and conforming to prescribed or changing standards and methods of operation; (vii) judicial and administrative proceedings regarding alleged possible adverse environmental and health effects of landfills or treatment and disposal facilities; and (viii) legislation that requires additional waste recycling, minimizing and incineration.

### **Fee Collection and Revenues Affected by Economic Conditions and Demand for Services**

No assurances can be given that the projections described in this Official Statement of revenues from the Solid Waste Resources Fee and Extra Capacity Fee (together, the “Fees”) which currently comprise the majority of Revenues will, in fact, be realized. Although the Bureau of Sanitation’s services are essential to property owners in the City, the operations of the Bureau of Sanitation and the collection of the Fees are affected to some degree by the overall economic conditions affecting the City, particularly the real estate economy of the City affecting owners and occupants of single family real properties in the City.

Economic conditions which adversely affect the ability of property owners to pay for property-related costs and services, such as mortgages, property taxes and utility bills, including trash collection fees, may also have an adverse effect on the collection of the Fees. It can be expected that property owners whose property is in foreclosure or who have lost their jobs will likely be delinquent in paying their property-related fees and charges, such as the Fees. It is possible that the Bureau of Sanitation could experience a dip in Fee collections, netted against any reduced operating costs, during periods of weak or adverse economic conditions. During the COVID-19 pandemic, revenue declined by approximately 7% in Fiscal Year 2020-21 and 4% in Fiscal Year 2021-22 due to the impacts of late payments by residential households experiencing financial hardship. The Bureau of Sanitation did receive \$9 million in funding from the American Rescue Plan Act as reimbursement for solid waste fee arrearage forgiveness for low income households for the period of March 3, 2021 to May 31, 2022.

In addition to the effects of economic conditions on the Fees, the scope of the Bureau of Sanitation's operations could change over time. For example, the number of single family and multi-family dwellings served by the City could change due to several factors. The number of households eligible for solid waste collection and disposal service could increase due to the construction of new single family or multi-family dwellings. Likewise, the number of households eligible for solid waste collection and disposal service could be reduced to the extent that single family dwellings are replaced with multi-family dwellings or by the conversion of dwelling units to commercial or industrial uses, which do not utilize City solid waste collection. See "SOLID WASTE RESOURCES FEE AND OTHER REVENUES —Billing and Collection."

### **Rate Covenant Not a Guarantee; Failure to Meet Projections**

Although, as more particularly described herein, the City expects that sufficient Revenues will be generated through the imposition and collection of the Solid Waste Resources Fee and other fees described herein, there is no assurance that such imposition of such fees will result in the generation of Revenues in the amounts required by the Amended and Restated Master Trust Agreement. As a result, the City may be unable to comply with the rate covenant under the Amended and Restated Master Trust Agreement regarding generation of Revenues and the City's covenant does not constitute a guarantee that sufficient Revenues will be available to make debt service payments on the Series 2023-A Bonds and any other Bonds. In addition, the City's financial projections are based on a number of assumptions. Changes in circumstances could have a material adverse impact on the ability of the City to make debt service payments with respect to the Series 2023-A Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Covenant to Maintain Solid Waste Resources Fee," and "CERTAIN RISK FACTORS—Certain Limitations on the Ability of the City to Impose Taxes, Fees and Charges."

### **Bureau of Sanitation Expenses**

There can be no assurance that expenses of the Bureau of Sanitation will be consistent with the levels contemplated in this Official Statement. Changes in technology, changes in quality standards, increases in the cost of operation or other expenses and changes in regulations could require substantial increases in rates or charges in order to comply with the rate covenant in the Amended and Restated Master Trust Agreement. Any such rate increases could increase delinquencies by Bureau of Sanitation customers and increase the possibility of nonpayment of the Series 2023-A Bonds as well. See "—Statutory and Regulatory Impact."

### **Projections**

The projections in this Official Statement are not necessarily indicative of future performance. In addition, certain assumptions with respect to future business and financing decisions of the City are subject to change. No representation is made or intended, nor should any representation be inferred, with respect to the likely existence of any particular future set of facts or circumstances, and prospective purchasers of the Series 2023-A Bonds are cautioned not to place undue reliance upon any projections or requirements for projections. If actual results are less favorable than the results projected or if the assumptions used in preparing such projections prove to be incorrect, the amount of Revenues may be materially less than expected and consequently, the ability of the City to make timely payment of the principal of and interest on the Series 2023-A Bonds may be materially adversely affected.

Neither the auditor retained by the City to audit the Financial Statements nor any other independent accountants have compiled, examined or performed any procedures with respect to the Revenues forecast, nor have they expressed any opinion or any form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the Revenues forecast, nor have they expressed any opinion or any form of assurance on such information or its achievability.

## **Public Health Emergencies**

Although the most significant impacts of the COVID-19 pandemic have abated, there can be no assurance that future COVID-19 outbreaks or other public health emergencies will not have material adverse effects on the Bureau of Sanitation's operations and finances as well as the economy, real estate market and development within the City.

## **Statutory and Regulatory Impact**

Laws and regulations governing solid waste management are enacted and promulgated by government agencies on the federal, state and local levels. These laws and regulations address the design, construction, operation, maintenance, closure and post-closure maintenance of various types of facilities; acceptable and prohibited waste types; and inspection, permitting, environmental monitoring and solid waste recycling requirements. Laws and regulations at both the State and federal levels impose retroactive liability, particularly with respect to cleanup activities, relating to the City's solid waste disposal facilities, including CLARTS and contracted facilities utilized by the City. Thus, the City has potential liability with respect to these facilities. Compliance with these laws and regulations may be costly, and, as more stringent standards are developed to protect the environment, these costs will likely increase. Claims against the City may be significant. No assurance can be given that the cost of compliance with such laws and regulations will not materially adversely affect the ability of the City to generate Revenues in the amounts required by the Amended and Restated Master Trust Agreement and to pay debt service with respect to the Series 2023-A Bonds.

## **Hazardous Waste**

Although the City has implemented a hazardous waste inspection program at CLARTS to monitor the waste stream and prevent the inadvertent or unintended improper transportation or disposal of hazardous waste, hazardous waste may be delivered to and inadvertently accepted by the Bureau of Sanitation. In the event that hazardous waste is discovered at CLARTS or a transfer facility or a landfill contracted with the City, the City, as owner of the delivered material, would have primary financial responsibility for the management and subsequent legal disposal of such hazardous waste under various state and federal laws, including the Comprehensive Environmental Responsibility Compensation and Liability Act (i.e., "Superfund"). The City contracts with transfer facilities and landfills require immediate notification and documentation be provided to the City when a hazardous material is discovered.

In addition, Title 27 of the California Code of Regulations requires that the landfill owner obtain and maintain assurances of financial responsibility for initiating and completing corrective action for all known or reasonably foreseeable releases from the landfill. The financial assurance requirements are developed based on a Corrective Action Program and estimated costs of implementing such a corrective action. Regulatory requirements of the State Water Resources Control Board include financial assurance requirements in accordance with applicable law. There can be no assurances that future expenses required to be incurred by the City for remediation of environmental conditions at one or more facilities operated by the Bureau of Sanitation will not materially exceed the City's estimates of such expenses.

## **Facility and Truck Fires**

Fires caused by ignition of solid waste are a normal part of operations at most solid waste facilities, including the System. No assurance can be provided by the City that current or future fire prevention and suppression measures related to the System will adequately protect the System from substantial damage or destruction from fires in the future. A fire suppression plan exists at CLARTS. In addition, a business plan has been filed with the City of Los Angeles Fire Department ("LAFD") to provide emergency responders with detailed information about CLARTS. The facility has fire suppression equipment continuously available, properly maintained and located as required by LAFD. Six fire suppression stations are located in the transfer

building and three in the organic waste transfer building. Fire extinguishers are kept in all loading equipment, and are posted throughout the facility. The building has been constructed to meet all applicable fire safety codes of the City of Los Angeles. Emergency Evacuation Plans for this facility are periodically reviewed, updated and posted.

Truck fires do occur, and drivers follow the LAFD protocol of dumping the loads and allowing LAFD to extinguish the fire.

### **Risk of Nonperformance or Bankruptcy by Third Parties**

The City has entered into various agreements relating to the Bureau of Sanitation's operations, including agreements for the transfer, disposal, recycling and composting of solid resources material. The Bureau of Sanitation has contracts for municipal solid waste collection, organics, recycling, collection of white goods, and other contracts. In the event that any such contractors fail to meet their obligations under such agreements, the contractors could be subject to damages and the agreements terminated as provided therein. There can be no assurances that the private contractors will provide services to the City in accordance with their contractual commitments. The extended failure of any of the private contractors to meet their obligations under such contracts could materially adversely affect the ability of the City to operate the system and collect Revenues in the amounts required pursuant to the Amended and Restated Master Trust Agreement.

In the event of the bankruptcy of a major contractor of the City, the automatic stay provisions of the United States Bankruptcy Code (the "Bankruptcy Code") could prevent (unless approval of the bankruptcy court was obtained) any action to collect any amount owing by such contractor to the City or any action to enforce any obligation of the contractor to the City. With the authorization of the bankruptcy court, the contractor may be able to repudiate some or all of its agreements with the City, and to stop performing its obligations (including payment obligations) under such agreements. Such a repudiation could also excuse the other parties to such agreements from performing any of their obligations. The contractor may be able, without the consent and over the objection of the City, the Trustee, and the holders of the Series 2023-A Bonds, to alter the terms, including the payment terms, of its agreements with the City, as long as the bankruptcy court determines that the alterations are fair and equitable. In addition, with the authorization of the bankruptcy court, the contractor may be able to assign its rights and obligations under any of its agreements with the City to another entity, despite any contractual provisions prohibiting such an assignment.

### **Bankruptcy Risks**

The rights of the owners of the Series 2023-A Bonds and the enforceability of the City's obligation to make payments on the Series 2023-A Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights under currently existing law or laws enacted in the future, and may also be subject to the exercise of judicial discretion under certain circumstances.

Under existing law, the City is eligible to file for bankruptcy. Should the City file for bankruptcy, there could be adverse effects on the holders of the Series 2023-A Bonds. In a bankruptcy of the City, the Trustee and the owners of the Series 2023-A Bonds may be prohibited from taking any action against the City, any official of the City, or any property of the City to enforce the terms of the Amended and Restated Master Trust Agreement, unless the consent of the bankruptcy court is first obtained. The bankruptcy court is not required to give its consent. This prohibition on action may even prohibit the Trustee from using funds in its possession to make payments on the Series 2023-A Bonds. As a result, Owners may experience temporary or permanent delays in the payment of the Series 2023-A Bonds.

In a bankruptcy case, a plan of adjustment for the City could be confirmed that would allow for enforcement of the Amended and Restated Master Trust Agreement, but the priority, interest rate, payment terms, collateral, maturity dates, payment sources, covenants and other terms or provisions of the Amended and Restated Master Trust Agreement and the Series 2023-A Bonds may be altered by the bankruptcy court.

Such a plan could be confirmed even over the objections of the City or the Trustee as its assignee and the owners of the Series 2023-A Bonds, and without their consent. Additionally, the resulting plan could adjust some or all of the City's financial obligations, which include the City's payment obligations under the Amended and Restated Master Trust Agreement.

The opinions of counsel, including Co-Bond Counsel, delivered in connection with the issuance and delivery of the Series 2023-A Bonds will be qualified by the effect of a bankruptcy. Bankruptcy proceedings, or the exercising of powers by the federal or state government, if initiated, could subject the owners of the Series 2023-A Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise and consequently may entail risks of delay, limitation, or modification of their rights.

### **Additional Bonds**

The City may issue Additional Bonds on the terms and upon satisfaction of the conditions specified in the Amended and Restated Master Trust Agreement. The City may also incur obligations payable from and secured by the Revenues or any money in the SWR Revenue Fund on a basis subordinate to the Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Limitations on Parity and Superior Obligations; Additional Bonds" and "—Subordinated Obligations."

The coverage tests for the issuance of Additional Bonds involve, to some extent, projections of Revenues. If Additional Bonds are issued in the future, the debt service coverage for the Series 2023-A Bonds would be diluted below what it otherwise would be. Moreover, there is no assurance that the assumptions that form the basis of such projections, if any, will be actually realized subsequent to the date of such projections. If such assumptions are not realized, the amount of future Revenues may be less than projected, and the actual amount of Revenues may be insufficient to provide for the payment of the Existing Bonds and any Additional Bonds.

The Amended and Restated Master Trust Agreement does not require a deposit to a debt service reserve fund in connection with issuance of any Additional Bonds in the future. "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Limitations on Parity and Superior Obligations; Additional Bonds."

### **No Acceleration**

Neither the Series 2023-A Bonds nor the Amended and Restated Master Trust Agreement contain a provision allowing for the acceleration of the Series 2023-A Bonds in the event of a payment default or other default under the terms thereof. Any suit for money damages would be subject to the legal limitations on remedies against cities and counties in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest.

### **Seismic Considerations**

The City is subject to unpredictable and significant seismic activity. A number of known faults run through the City, and the City lies near the San Andreas Fault, which is the boundary between the Pacific and North American tectonic plates. The complex Los Angeles fault system interacts with the alluvial soils and other geologic conditions in the hills and basins of the area. This interaction poses a potential seismic threat for every part of the City, regardless of the underlying geologic and soils conditions. In addition, there are likely to be unmapped faults throughout the City. The most recent major earthquake, the Northridge earthquake in 1994, occurred along a previously unmapped blind thrust fault. The City generally does not maintain earthquake insurance coverage. There can be no assurances that a major earthquake will not materially adversely impact the operations of the Bureau of Sanitation, or the financial condition of the SWR Revenue Fund.



## **Environmental Considerations**

The change in the earth's average atmospheric temperature, generally referred to as "climate change," is expected to, among other things, increase the frequency and severity of extreme weather events and cause substantial flooding. The City cannot predict the timing, extent, or severity of climate change and its impact on the City's operations and finances. Climate change may be a factor in the increased incidence of wildfire in the City and elsewhere in the County and the State.

In January 2018 the City released a "Local Hazard Mitigation Plan" which identified a number of risks, provided an assessment of potential damage that might result from those risks, and identified certain mitigation strategies. Identified risks included earthquake, adverse weather, drought and flood. The plan also identified various ways in which such risks could be mitigated. The City currently expects to issue an update to the plan in 2024. There can be no assurances that the effects of climate change will not materially adversely impact the operations or finances of the System.

## **Cybersecurity**

The City relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal, private and sensitive information, the City and its departments face multiple cyber threats including hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems. There have been, however, only limited cyber-attack disruptions on the City's computer system to date. For example, in 2019, the City experienced a cyber-attack that impacted a cloud-hosted system at a City department. The attack potentially involved certain personal information of about 20,000 applicants who went through the LAPD recruitment process. The City mitigated the attack and notified all the affected individuals immediately. The City installed web application firewall and endpoint protection system to quickly identify and respond to cyber-attacks targeted at the department web application systems.

In 2013, the City created the Cyber Intrusion Command Center (the "CICC") under a Mayoral Executive Directive to coordinate cybersecurity preparation and response across City departments. The CICC is comprised of key City departments, cybersecurity professionals, and local and federal law enforcement experts. The CICC has assisted the City in establishing policies for data classification, information handling, and cybersecurity prevention and response protocols. In 2015, the City established an Integrated Security Operations Center (the "ISOC") with cybersecurity professionals for cyber-attack monitoring and response. In addition, the City has identified critical data assets and applied additional cyber defenses through its Critical Asset Protection program. The City conducts cyber security awareness training for all City employees with computer access, conducts phishing email tests, and provides periodic cybersecurity newsletters and workshops to its employees. In 2017, the City consolidated and distributed a comprehensive Information Security Policy Manual with sections dedicated to City employees, City managers, and City technology professionals. Also, the City conducts annual "penetration tests" to identify and remediate any potential weaknesses in its networks and weekly cyber vulnerability scanning on City servers and websites accessible by the Internet.

No assurances can be given that the City's security and operational control measures will be successful in guarding against any and each cyber threat and attack. The results of any attack on the City's computer and information technology systems could impact its operations and damage the City's digital networks and systems, and the costs of remedying any such damage could be substantial.

## **Certain Limitations on the Ability of the City to Impose Taxes, Fees and Charges**

**General.** On November 5, 1996, California voters approved Proposition 218, the so-called "Right to Vote on Taxes Act." Proposition 218 added Articles XIIC and XIID to the State Constitution, which affect the ability of local governments to levy and collect both existing and future taxes, assessments, and property-related fees and charges. Proposition 218, which generally became effective on November 6, 1996, limited

local governments' authority to impose or increase a property-related "fee" or "charge," which is defined as "any levy other than an ad valorem tax, a special tax or an assessment, imposed by a [local government] upon a parcel or upon a person as an incident of property ownership, including user fees or charges for a property related service" (and referred to in this section as a "property-related fee or charge").

On November 2, 2010, California voters approved Proposition 26, entitled the "Supermajority Vote to Pass New Taxes and Fees Act." Section 1 of Proposition 26 declares that Proposition 26 is intended to limit the ability of the State Legislature and local government to circumvent existing restrictions on increasing taxes by defining the new or expanded taxes as "fees." Proposition 26 amended Article XIIC of the State Constitution. The amendments to Article XIIC limit the ability of local governments to impose higher taxes (as defined in Proposition 26) without voter approval. As amended by Proposition 26, Article XIIC broadly defines "tax," but specifically excludes, among other things:

(1) A charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.

(2) A charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.

[ . . . ]

(6) A charge imposed as a condition of property development.

(7) Assessments and property-related fees imposed in accordance with the provisions of Article XIID.

***Property-Related Fees and Charges.*** Under Article XIID, before a municipality may impose or increase any property-related fee or charge, the entity must give written notice to the record owner of each parcel of land affected by that fee or charge. The municipality must then hold a hearing upon the proposed imposition or increase at least 45 days after the written notice is mailed, and, if a majority of the property owners of the identified parcels present written protests against the proposal, the municipality may not impose or increase the property-related fee or charge.

Further, under Article XIID, revenues derived from a property-related fee or charge may not exceed the funds required to provide the "property-related service" and the entity may not use such fee or charge for any purpose other than that for which it imposed the fee or charge. The amount of a property-related fee or charge may not exceed the proportional cost of the service attributable to the parcel, and no property-related fee or charge may be imposed for a service unless that service is actually used by, or is immediately available to, the owner of the property in question.

***Judicial Interpretation of Articles XIIC and XIID.*** After Proposition 218 was enacted in 1996, appellate court cases and an Attorney General's opinion initially indicated that fees and charges for water and wastewater services, which are based on the amount of services consumed, would not be considered property-related fees and charges, and thus not subject to the requirements of Article XIID. However, three recent cases have held that certain types of charges, including charges for water, wastewater and refuse collection, could be subject to the requirements of Article XIID under certain circumstances.

In *Richmond v. Shasta Community Services District*, 32 Cal.4th 409 (2004), the California Supreme Court addressed the applicability of the notice, hearing and protest provisions of Article XIID to certain charges related to water service. In *Richmond*, the Court held that capacity charges are not subject to Proposition 218. The Court also indicated in dictum that a fee for ongoing water service through an existing

connection could, under certain circumstances, constitute a property-related fee and charge, with the result that a local government imposing such a fee and charge must comply with the notice, hearing and protest requirements of Article XIID.

In *Howard Jarvis Taxpayers Association v. City of Fresno*, 127 Cal.App.4th 914 (Cal. App.5th 2005), the California Court of Appeal, Fifth District, concluded that water, sewer and trash fees are property-related fees subject to Proposition 218 and a municipality must comply with Article XIID before imposing or increasing such fees.

In *Bighorn-Desert View Water Agency v. Verjil*, 39 Cal.4th 205 (2006), the California Supreme Court addressed the validity of a local voter initiative measure that would have (a) reduced a water agency's rates for water consumption (and other water charges), and (b) required the water agency to obtain voter approval before increasing any existing water rate, fee, or charge, or imposing any new water rate, fee, or charge. The court adopted the position indicated by its statement in *Richmond* that a public water agency's charges for ongoing water delivery are "fees and charges" within the meaning of Article XIID, and went on to hold that charges for ongoing water delivery are also "fees" within the meaning of Article XIIC's mandate that the initiative power of the electorate cannot be prohibited or limited in matters of reducing or repealing any local tax, assessment, fee or charge. Therefore, the court held, Article XIIC authorizes local voters to adopt an initiative measure that would reduce or repeal a public agency's water rates and other water delivery charges. (However, the court ultimately ruled in favor of the water agency and held that the entire initiative measure was invalid on the grounds that the second part of the initiative measure, which would have subjected future water rate increases to prior voter approval, was not supported by Article XIIC and was therefore invalid.)

The court in *Bighorn* specifically noted that it was not holding that the initiative power is free of all limitations; the court stated that it was not determining whether the electorate's initiative power is subject to the statutory provision requiring that water service charges be set at a level that will pay for operating expenses, provide for repairs and depreciation of works, provide a reasonable surplus for improvements, extensions, and enlargements, pay the interest on any bonded debt, and provide a sinking or other fund for the payment of the principal of such debt as it may become due.

In *Crawley v. Alameda County Waste Management Authority*, 243 Cal. App. 4th 396 (2015), the California Court of Appeal, First District, Division Five, upheld a fee imposed by the Alameda County Waste Management Authority for collection and disposal of the household hazardous waste component of garbage and refuse generated by households in Alameda County against a challenger alleging that the fee was not a "property-related fee or charge" within the meaning of Article XIID and further qualified as a fee or charge for "refuse collection services" within the meaning of Section 6(c) of Article XIID, such that no landowner vote was required to impose the fee. The court held that the household hazardous waste collection and disposal fee was properly established following compliance with the notice, public hearing, and majority protest proceedings required by Section 6(a) of Article XIID.

***Initiative Power; Future Initiatives.*** In addition, Article XIIC states that "the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge. The power of initiative to affect local taxes, assessments, fees and charges shall be applicable to all local governments and neither the Legislature nor any local government charter shall impose a signature requirement higher than that applicable to statewide statutory initiatives."

No assurance can be given that the voters of the City will not, in the future, approve an initiative which reduces or repeals local taxes, assessments, fees or charges, including a reduction of all or any portion of the Solid Waste Resources Fee or the Extra Capacity Fee, or the MFBI Fee. The use of the initiative power is arguably limited by constitutional limitations on the impairment of contracts in the case of levies directly pledged to bonded indebtedness, such as the Solid Waste Resources Fee securing the Bonds. However, there can be no assurance that the voters of the City will not approve an initiative which attempts to reduce the Solid

Waste Resources Fee or the Extra Capacity Fee or the MFBI Fee or that the constitutional limitations on impairment of contract will protect such fees from reduction under such an initiative.

***Initiative Measure Qualified for November 2024 Ballot - Taxpayer Protection and Government Accountability Act.*** On February 1, 2023, the California Secretary of State announced that a ballot initiative known as the “Taxpayer Protection and Government Accountability Act,” (“Initiative 1935”) has received the required number of signatures to appear on the November 5, 2024 ballot. If approved by a majority of voters casting a ballot at the November 5, 2024 Statewide election, Initiative 1935 would make numerous significant changes to Articles XIII, XIII A, XIII C and XIII D of the California Constitution to further limit the authority of local governments, and electors via the initiative process, to adopt and impose taxes and fees. The full text of Initiative 1935 may be viewed at the website of the California Attorney General.

Among other things, Initiative 1935 would amend the definition “tax” in Article XIII C to include “every levy, charge, or exaction of any kind imposed by a local law that is not an exempt charge.” Initiative 1935 defines “exempt charge” to mean a “reasonable charge for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the *actual costs* (as opposed to the reasonable costs) of providing the service or product to the payor.” “Exempt charges” also encompass existing exceptions from the definition of “tax” added to Article XIII C by Proposition 26, including property-related fees imposed in accordance with Article XIII D (see “—General,” above. “Actual costs” is defined as “the minimum amount necessary to reimburse the government for the cost of providing the service or product . . . less all other sources of revenue including, but not limited to taxes, other exempt charges, grants, and state or federal funds received to provide such service or product.” Initiative 1935 further provides that the local government adopting an exempt charge would bear the burden of proving by *clear and convincing evidence* (as opposed to a preponderance of the evidence) that: (a) a levy, charge or exaction is an exempt charge and not a tax; and (b) the amount of the exempt charge is reasonable and that the amount charged does not exceed the actual cost of providing the service or product to the payor.

Initiative 1935 is retroactive, and provides that any tax or exempt charge adopted after January 1, 2022 but prior to the effective date of Initiative 1935, which was not adopted in compliance with the requirements thereof, would be void 12 months after the effective date of Initiative 1935, unless the tax or exempt charge is reenacted in compliance with the provisions of Initiative 1935.

The City cannot predict whether Initiative 1935 will be approved at the November 5, 2024 Statewide election. If Initiative 1935 is approved, the City cannot provide any assurances that it will not have a material adverse effect on the City’s ability to adopt or increase rates, fees, and charges in the amounts required by the Amended and Restated Master Trust Agreement.

***Effect on Compliance with Amended and Restated Master Trust Agreement Covenants.*** The City has covenanted in the Amended and Restated Trust Agreement to maintain the Solid Waste Resources Fee at a level sufficient to provide for payment of all Debt Service within the Fiscal Year, together with any amount required to replenish the Reserve Fund in accordance with the Amended and Restated Trust Agreement, and to pay all costs, fees and expenses required to be paid by the City under the Amended and Restated Trust Agreement; provided, however, that to the extent the City designates other legally available funds for such payment, it need not increase the Solid Waste Resources Fee. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Covenant to Maintain Solid Waste Resources Fee.” The ability of the City to comply with the covenants in the Amended and Restated Trust Agreement, including the rate covenant described under “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Covenant to Maintain Solid Waste Resources Fee” above, could be adversely affected by actions taken (or not taken) by voters, property owners or other persons obligated to pay the Solid Waste Resources Fee, the Extra Capacity Fee, or the MFBI Fee. **None of the moneys on deposit in the MFBI Fund are pledged as security for the City’s obligations under the Amended and Restated Master Trust Agreement and nothing in the Amended and Restated Master Trust Agreement obligates the City to transfer any MFBI Fees to the SWR Revenue Fund. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Limited Liability.”**

**Conclusion.** The City is responsible for determining whether the notice and protest provisions or voter approval requirements of Article XIII C and Article XIII D apply to the charges imposed with respect to refuse collection and disposal services provided by the City and, if they apply, the City is responsible for compliance therewith and with any other applicable provisions. The ability of the City to comply with the covenants in the Amended and Restated Master Trust Agreement, including the rate covenant described under “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Covenant to Maintain Solid Waste Resources Fee” above, could be impacted if the City fails to satisfy an applicable requirement of Article XIII C and Article XIII D. The City is not aware of any pending challenge to the Solid Waste Resources Fee, the Extra Capacity Fee, or the MFBI Fee.

### **Loss of Tax Exemption**

As discussed under the caption “TAX MATTERS,” in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series 2023-A Bonds, the City has covenanted in the Fourteenth Supplemental Trust Agreement and the tax certificate relating to the Series 2023-A Bonds not to take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest on the Series 2023-A Bonds under Section 103 of the Internal Revenue Code of 1986, as amended. Interest on the Series 2023-A Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of issuance, as a result of acts or omissions of the City subsequent to the issuance of the Series 2023-A Bonds in violation of such covenants with respect to the Series 2023-A Bonds. Should such an event of taxability occur, the Series 2023-A Bonds are not subject to redemption by reason thereof and will remain outstanding until maturity or unless earlier redeemed pursuant to the redemption provisions of the Fourteenth Supplemental Trust Agreement and the Amended and Restated Master Trust Agreement.

### **Secondary Market for Bonds**

There can be no guarantee that there will be a secondary market for the Series 2023-A Bonds or, if a secondary market exists, that any Series 2023-A Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

## **CONTINUING DISCLOSURE**

The City will execute a Continuing Disclosure Certificate, to be dated the date of delivery of the Series 2023-A Bonds (the “Continuing Disclosure Certificate”), which provides for certain disclosure obligations on the part of the City. Under the Continuing Disclosure Certificate, the City will covenant for the benefit of Bondholders and Beneficial Owners of the Series 2023-A Bonds to provide certain financial information and operating data relating to the City by not later than June 30 of each year, commencing June 30, 2023 for the report for the Fiscal Year 2022-23, or if the Fiscal Year-end changes from June 30, not later than 365 days after the end of the City’s Fiscal Year (the “Annual Reports”), and to provide notices of the occurrence of certain enumerated events (the “Listed Events”). The Annual Reports and the notices of Listed Events will be filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (“EMMA”) site at <http://emma.msrb.org>. These covenants will be made in order to assist the underwriters of the Series 2023-A Bonds in complying with Securities and Exchange Commission Rule 15c2-12, as amended (the “Rule”). For the form of the Continuing Disclosure Certificate, see APPENDIX D—“FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

The City and its related entities issue a variety of bonds, notes and obligations (“Obligations”), including Obligations issued through the City’s proprietary enterprise programs and for its housing program and other conduit borrowers, as well as Obligations secured by special taxes and special assessments. The

representations made by the City in this section regarding its previous continuing disclosure undertakings relate only to those Obligations which are managed by the City Administrative Officer and its staff, including Obligations secured by the City's general fund (including the City's bonds and notes issued through the Municipal Improvement Corporation of Los Angeles), General Obligation Bonds, Wastewater System Revenue Bonds, Tax and Revenue Anticipation Notes, and Solid Waste Revenue Bonds. The City's Department of Airports, Department of Water and Power and Harbor Department (each of which is governed by a Board of Commissioners that is separate from the City Council) enter into separate continuing disclosure undertakings in connection with the bonds and notes that are secured and payable from their respective enterprise revenues.

The City failed to provide notice within 10 business days of the incurrence of the financial obligations set forth in the Purchase and Assignment Agreement with the Corporation and Banc of America Public Capital Corporation and the Sublease Agreement executed in connection therewith in accordance with certain of the City's continuing disclosure undertakings. On October 24, 2019, the City filed notice of the incurrence of these agreements with the MSRB on the EMMA website.

The City omitted from the annual report filed for Fiscal Year 2017-18 for its Wastewater System Subordinate 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 was included in an update to the annual report for Fiscal Year 2018-19 that was filed on April 28, 2020 with the MSRB on the EMMA website.

The City failed to provide in a timely manner notice of redemption and failed to file a notice of defeasance for the Municipal Improvement Corporation of Los Angeles Lease Revenue Bonds, Series 2009-D (Recovery Zone Economic Development Bonds) in accordance with the City's continuing disclosure undertakings relating to these bonds. These bonds were paid in full on September 1, 2019 and are no longer outstanding.

## **TAX MATTERS**

### **Federal Tax Status**

In the opinion of Jones Hall, A Professional Law Corporation, and Alexis S. M. Chiu, Esq., Co-Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Series 2023-A Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Series 2023-A Bonds may be subject to the corporate alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Tax Code") that must be satisfied subsequent to the issuance of the Series 2023-A Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The City has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Series 2023-A Bonds.

### **Tax Treatment of Original Issue Discount and Premium**

If the initial offering price to the public at which a Series 2023-A Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a Series 2023-A Bond is sold is greater than the amount payable at maturity thereof, then such difference

constitutes “bond premium” for purposes of federal income taxes and State of California personal income taxes.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of the subcaption “—Federal Tax Status,” above. The original issue discount accrues over the term to maturity of the Series 2023-A Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Series 2023-A Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Series 2023-A Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Series 2023-A Bonds who purchase the Series 2023-A Bonds after the initial offering of a substantial amount of such maturity. Owners of such Series 2023-A Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2023-A Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering to the public at the first price at which a substantial amount of such Series 2023-A Bonds is sold to the public.

Under the Tax Code, bond premium is amortized on an annual basis over the term of the Series 2023-A Bond (said term being the shorter of the Series 2023-A Bond’s maturity date or its call date). The amount of bond premium amortized each year reduces the adjusted basis of the owner of the Series 2023-A Bond for purposes of determining taxable gain or loss upon disposition. The amount of bond premium on a Series 2023-A Bond is amortized each year over the term to maturity of the Series 2023-A Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized bond premium is not deductible for federal income tax purposes. Owners of premium Series 2023-A Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Series 2023-A Bonds.

### **California Tax Status**

In the further opinion of Co-Bond Counsel, interest on the Series 2023-A Bonds is exempt from California personal income taxes.

### **Other Tax Considerations**

Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the Series 2023-A Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Series 2023-A Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to Series 2023-A Bonds issued prior to enactment.

The opinions expressed by Co-Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Co-Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the Series 2023-A Bonds, or as to the consequences of owning or receiving interest on the Series 2023-A Bonds, as of any future date. Prospective purchasers of the Series 2023-A Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Co-Bond Counsel expresses no opinion.

Owners of the Series 2023-A Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Series 2023-A Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Co-Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the Series 2023-A Bonds, the ownership, sale or disposition of the Series 2023-A Bonds, or the amount, accrual or receipt of interest on the Series 2023-A Bonds.

### **CERTAIN LEGAL MATTERS**

The validity of the Series 2023-A Bonds and certain other legal matters are subject to the approving opinion of Jones Hall, A Professional Law Corporation, and Alexis S. M. Chiu, Esq., Co-Bond Counsel. See APPENDIX C—“PROPOSED FORM OF CO-BOND COUNSEL OPINION.” Certain legal matters will be passed on for the City by the City Attorney of the City of Los Angeles, California. Certain legal matters will be passed on for the City by the City Attorney, and by Stradling Yocca Carlson & Rauth, a Professional Corporation, Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Norton Rose Fulbright US LLP. Co-Bond Counsel and Disclosure Counsel will receive compensation contingent upon the sale and delivery of the Series 2023-A Bonds.

### **LITIGATION**

There is no controversy of any nature now pending against the City or, to the knowledge of its officers, threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2023-A Bonds or in any way contesting or affecting the validity of the Series 2023-A Bonds 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 Series 2023-A Bonds or the use of the Series 2023-A Bond proceeds. There is no claims or lawsuits pending against the City which the City believes would have a material adverse effect on its ability to pay debt service on the Series 2023-A Bonds.

### **FINANCIAL STATEMENTS**

The City’s Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2022 (the “Financial Statements”) and the Independent Auditor’s Report regarding the Financial Statements are available on the EMMA site at <https://emma.msrb.org/P21548112-P21196465-P21615706.pdf> and are incorporated herein by reference thereto. No other information from the EMMA site or the City’s website is incorporated by reference into this Official Statement. The Financial Statements have been audited by Macias Gini & O’Connell LLP, certified public accountants. Macias Gini & O’Connell LLP has not consented to the inclusion by reference of its report in this Official Statement and has not undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by Macias Gini & O’Connell LLP with respect to any event subsequent to the date of the Independent Auditor’s Report.

The Financial Statements include various funds, including the SWR Revenue Fund and the MFBI Fund as well as various other funds maintained by the City. As described herein, the Series 2023-A Bonds are payable solely from the moneys pledged therefor as set forth in the Amended and Restated Master Trust Agreement, and the inclusion of any other funds in the Financial Statements should not create any implication that any other such funds are pledged to, or otherwise available for, payment of the Series 2023-A Bonds.

### **RATINGS**

\_\_\_\_\_ (“\_\_\_\_\_”) and \_\_\_\_\_ (“\_\_\_\_\_”) have assigned ratings of “\_\_\_” and “\_\_\_,” respectively, to the Series 2023-A Bonds. The ratings provided by each of the rating agencies reflect only the views of such organizations and an explanation of the significance of such ratings may only be obtained from the respective agencies. There is no assurance that such ratings will continue for any given



period of time or that they will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agency, circumstances so warrant. Any such downward revisions or withdrawals of such ratings may have an adverse effect on the market price of the Series 2023-A Bonds. The City undertakes no responsibility to maintain any rating on the Series 2023-A Bonds or to take any action, except as may be required by the Continuing Disclosure Certificate, in the event of an upgrade, downgrade, suspension or withdrawal of a rating.

## **UNDERWRITING**

The Series 2023-A Bonds are being purchased by the Underwriters named on the cover page of this Official Statement (collectively, the “Underwriters”) at a purchase price of \$ \_\_\_\_\_ (being the principal amount of the Series 2023-A Bonds of \$ \_\_\_\_\_, plus a premium of \$ \_\_\_\_\_, less an Underwriters’ discount of \$ \_\_\_\_\_). The bond purchase agreement for the Series 2023-A Bonds provides that the Underwriters shall purchase all of the Series 2023-A Bonds offered hereby if any are purchased, and that the obligation to make such purchase is subject to the approval of certain legal matters by Co-Bond Counsel and certain other conditions.

The initial offering prices stated on the inside cover pages of this Official Statement may be changed from time to time by the Underwriters. The Underwriters may offer and sell Series 2023-A Bonds to certain dealers and others at prices lower than such initial offering prices.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the City, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the City.

J.P. Morgan Securities LLC (“JPMS”), one of the Underwriters of the Series 2023-A Bonds, has entered into negotiated dealer agreements (each, a “Dealer Agreement”) with each of Charles Schwab & Co., Inc. (“CS&Co.”) and LPL Financial LLC (“LPL”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Series 2023-A Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series 2023-A Bonds that such firm sells.

## **MUNICIPAL ADVISOR**

Public Resources Advisory Group has acted as Municipal Advisor to the City in conjunction with the issuance of the Series 2023-A Bonds. The Municipal Advisor has assisted the City in matters related to the planning, structuring, execution and delivery of the Series 2023-A Bonds. The Municipal Advisor will receive compensation contingent upon the sale and delivery of the Series 2023-A Bonds. The Municipal Advisor has not audited, authenticated or otherwise independently verified the information set forth in this Official Statement, or any other related information available to the City, with respect to accuracy and completeness of disclosure of such information. Because of this limited participation, the Municipal Advisor makes no guaranty, warranty or other representation with respect to the accuracy or completeness of this Official Statement or any other matter related to this Official Statement.

## MISCELLANEOUS

References are made herein to certain documents and reports that are brief summaries thereof that do not purport to be complete or definitive, and reference is made to such documents and reports for a full and complete statement of the contents thereof.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or Owners of any of the Series 2023-A Bonds.

The execution and delivery of this Official Statement has been duly authorized by the City.

**CITY OF LOS ANGELES**

By: \_\_\_\_\_  
Assistant City Administrative Officer

**APPENDIX A**  
**CITY OF LOS ANGELES GENERAL INFORMATION**

**APPENDIX B-1**

**FORM OF AMENDED AND RESTATED MASTER TRUST AGREEMENT**

**APPENDIX B-2**

**CHANGES TO ORIGINAL MASTER TRUST AGREEMENT**

**APPENDIX C**

**PROPOSED FORM OF CO-BOND COUNSEL OPINION**

## APPENDIX D

### FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by City of Los Angeles, California (the “City”) in connection with the issuance by the City of \$ \_\_\_\_\_ aggregate principal amount of Solid Waste Resources Revenue Bonds, Series 2023-A (the “Bonds”). The Bonds are issued pursuant to the provisions of (i) the Charter of the City and Ordinance No. 174129 adopted July 24, 2001, codified at Sections 11.27.50 through 11.27.58 of Division 11, Chapter 1, Article 6.4 of the Los Angeles Administrative Code, and (ii) a Master Trust Agreement, dated as of September 1, 2001, as amended and supplemented by the various supplemental trust agreements (collectively, the “Original Master Trust Agreement”), by and between the City and U.S. Bank Trust Company, National Association, as successor trustee (the “Trustee”), including as supplemented by a Fourteenth Supplemental Trust Agreement, dated as of June 1, 2023 (the “Fourteenth Supplemental Trust Agreement”) by and between the City and the Trustee. Immediately after the issuance of the Bonds, the City and Trustee entered into an Amended and Restated Master Trust Agreement dated as of June 1, 2023 (the “Amended and Restated Master Trust Agreement”).

The City covenants and agrees as follows.

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with the Rule (as defined herein).

Section 2. Definitions. In addition to the definitions set forth in the Amended and Restated Master Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Disclosure Certificate, the following capitalized terms shall have the following meanings:

“*Annual Report*” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Beneficial Owner*” shall mean any person which (a) has or shares the power, directly, or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“*DAC*” shall mean Digital Assurance Certificate L.L.C.

“*Dissemination Agent*” shall mean the City Administrative Officer of the City or any other person authorized to act on their behalf, acting in the capacity of Dissemination Agent, or any successor Dissemination Agent designated in writing by the City, and which has filed with the City a written acceptance of such designation. The initial Dissemination Agent hereunder shall be DAC.

“*Listed Events*” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate as Listed Events.

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



“*Official Statement*” shall mean the Official Statement dated \_\_\_\_\_. 2023, issued by the City in connection with the sale of the Bonds.

“*Owner*” shall mean the person in whose name any Bond shall be registered.

“*Participating Underwriters*” shall mean the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“*Rule*” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“*State*” shall mean the State of California.

Section 3. Provision of Annual Reports.

(a) The City shall cause the Dissemination Agent to, not later than June 30 of each year, commencing June 30, 2024, for the report for the 2022-23 fiscal year, or if the fiscal year end changes from June 30, not later than 365 days after the end of the City’s fiscal year, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. If the Dissemination Agent is other than the City or the City Administrative Officer, the City shall provide the Annual Report to the Dissemination Agent. The Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate. If the City’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) If the City is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the City shall send, in a timely manner, a notice to the MSRB in substantially the form attached as Exhibit A hereto.

(c) The Dissemination Agent shall:

- (i) determine each year prior to the date for providing the Annual Report the then-current procedures for submitting Annual Reports to the MSRB; and
- (ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided.

Section 4. Content of Annual Reports. The City’s Annual Report shall contain or incorporate by reference the following:

(a) The audited financial statements of the City for the most recently completed fiscal year, prepared in accordance with generally accepted accounting principles applicable to governmental entities. If the City’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a) hereof, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Information of the type contained in the following tables in the Official Statement for the most recently completed fiscal year (or at the sole discretion of the City as of a later date):

- (i) “Table 2 – SOLID WASTE RESOURCES FEE RATE HISTORY”;

(ii) “Table 3 – DEPARTMENT OF WATER AND POWER BILLINGS AND COLLECTIONS SOLID WASTE RESOURCES FEE”;

(iii) “Table 4 – SOLID WASTE SYSTEM HISTORICAL OPERATING RESULTS”;  
and

(iv) “Table 5 – HISTORICAL DEBT SERVICE COVERAGE.”

The City need not update any particular table or chart included in such sections so long as the City provides updated information generally of the type previously included in such table or chart.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities, available to the public on the MSRB’s Internet website or filed with the Securities and Exchange Commission. The City shall clearly identify each such other documents so incorporated by reference.

Section 5. Reporting of Significant Events.

(a) To the extent applicable and pursuant to provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds (each of which is a “Listed Event”):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of any credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights to Owners, if material;
- (8) bond calls other than scheduled sinking fund redemptions, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the City; provided that for the purposes of the event identified in this clause (12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the City, or

if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City;

(13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) incurrence of a financial obligation, as defined in the Rule, of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

(b) If the Dissemination Agent is other than the City, the Dissemination Agent shall, as soon as reasonably practicable after obtaining actual knowledge of the occurrence of any of the Listed Events contact the City and request that the City promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to Subsections (a) and promptly direct the Dissemination Agent whether or not to report such event to the owners of the Bonds. In the absence of such direction, the Dissemination Agent shall not report such event unless required to be reported by the Dissemination Agent to the owners of the Bonds under the Amended and Restated Master Trust Agreement. The Dissemination Agent may conclusively rely upon such direction or lack thereof. For purposes of this Disclosure Certificate, actual knowledge of the occurrence of such Listed Events shall mean actual knowledge by the Dissemination Agent. The Dissemination Agent shall have no responsibility to determine the materiality of any of the Listed Events. Notwithstanding the foregoing, notice of any Listed Event shall be filed with the Repository through its EMMA system, in an electronic format as prescribed by the Repository, in a timely manner but not in excess of 10 business days after the occurrence of such Listed Event.

(c) Whenever the City obtains knowledge of the occurrence of a Listed Event, but, in the case of a Listed Event described in Subsection (2), (7), (8) (but only with respect to bond calls), (10), (13), (14) and (15) of Section 5(a), only in the event the City determines that the occurrence of a Listed Event would be material under applicable federal securities laws, the City shall file or cause to be filed a notice of such occurrence with the Repository through its EMMA system, in an electronic format as prescribed by the Repository, in a timely manner but not in excess of 10 business days after the occurrence of such Listed Event.

Section 6. Termination of Reporting Obligations. The City's obligations under the Disclosure Certificate with respect to the Bonds shall terminate upon the legal defeasance, prior redemption or payment in full of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent other than the original Dissemination Agent to assist it in carrying out its obligations under the Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent (other than the City or the City Administrative Officer) shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to the Disclosure Certificate.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Disclosure Certificate, the City may amend the Disclosure Certificate, and any provision of the Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions relating to the filing of an Annual Report or the giving of notice of a Listed Event as set forth in Sections 3(a), 4 or 5(a) hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Amended and Restated Master Trust Agreement for amendments to the Amended and Restated Master Trust Agreement with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, its impact on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to a change in the accounting principles to be followed in preparing financial statements, notice of such change shall be given in the same manner as for a Listed Event under Section 5(c) hereof.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the City or the Dissemination Agent to comply with any provision of this Disclosure Certificate, the Owners' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Certificate. Any failure by a party to perform in accordance with this Disclosure Certificate shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate and the City agrees to indemnify and hold the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the City under this Section 11 shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriters and the Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: \_\_\_\_\_, 2023

CITY OF LOS ANGELES

By: \_\_\_\_\_  
Assistant City Administrative Officer

**EXHIBIT A**

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD  
OF FAILURE TO FILE ANNUAL REPORT**

Name of City: City of Los Angeles, California  
Name of Bond Issue: \$\_\_\_\_\_ Solid Waste Resources Revenue Bonds, Series 2023-A  
Date of Issuance: \_\_\_\_\_, 2023

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate dated \_\_\_\_\_. 2023. The City anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_, 20\_\_

CITY OF LOS ANGELES

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

**APPENDIX E**  
**BOOK ENTRY-ONLY SYSTEM**

Solid Waste Issuance - Proposed Vehicles, Equipment, and Capital Improvement Projects							
DESCRIPTION	QTY	UNIT COST	TOTAL COST	Fuel Type	Delivery timeframe	Lifespan of vehicles/ equipment	Division
<b>Vehicles and Equipment - Replacement</b>							
Automated Side Loaders (ASL)	173	\$ 500,000	\$ 86,500,000	CNG	11 - 25 months	10	SRSSD*
2 Axle Semi-Automated Side Loaders (SASL)	10	\$ 500,000	\$ 5,000,000	CNG	21 - 25 months	10	SRSSD
Front Loaders (FL)	9	\$ 500,000	\$ 4,500,000	CNG	22 - 25 months	10	SRSSD
Rear Loaders (RL)	10	\$ 500,000	\$ 5,000,000	CNG	22 - 26 months	10	SRSSD
Roll Offs (RO)	7	\$ 410,000	\$ 2,870,000	CNG	22 - 27 months	10	SRSSD
Rear Loaders (RL) (MFBI Vehicles)	25	\$ 500,000	\$ 12,500,000	CNG	22 - 25 months	10	SRSSD/MFBI**
Satellite Rear Loader (SAT)	12	\$ 250,000	\$ 3,000,000	Unleaded	16 - 18 months	10	SRSSD
Utility Trucks (DAC trucks)	6	\$ 300,000	\$ 1,800,000	Electricity	12 - 15 months	10	SRSSD
Pickup Trucks	11	\$ 80,000	\$ 880,000	Electricity	12 - 15 months	10	SRSSD
Electric Forklifts	3	\$ 85,000	\$ 255,000	Electricity	12 months	10	SRSSD
Lightning Loaders (LL)	2	\$ 400,000	\$ 800,000	Unleaded	12 - 15 months	10	SRSSD
Bin/Dumpster Truck	1	\$ 90,000	\$ 90,000	Unleaded	12 months	10	SRSSD
CNG Tractor	8	\$ 300,000	\$ 2,400,000	CNG	12 - 21 months	10	SRPCD***
966 Loader CAT	2	\$ 650,000	\$ 1,300,000	Bio Diesel Tier 4	12 - 14 months	10	SRPCD
13 Yard Dump Truck	7	\$ 350,000	\$ 2,450,000	CNG	12 - 21 months	10	SRPCD
Roll Off Truck	1	\$ 410,000	\$ 410,000	CNG	12 months	10	SRPCD
Tilt Trailer	1	\$ 85,000	\$ 85,000	N/A	12 months	10	SRPCD
2 Ton Drop Trailer	1	\$ 25,000	\$ 25,000	N/A	12 months	10	SRPCD
4000 Gallon Water Trucks	4	\$ 500,000	\$ 2,000,000	CNG	12 - 21 months	10	SRPCD
Small Sweeper with Cab	2	\$ 85,000	\$ 170,000	Propane	17 - 18 months	10	SRPCD
Forklift 8000 lb	2	\$ 60,000	\$ 120,000	Propane	9 - 12 months	10	SRPCD
966 Loader CAT	2	\$ 650,000	\$ 1,300,000	Bio Diesel Tier 4	13 - 21 months	10	SRPCD
1 ton Crew Cab 4X4 Dump Bed	4	\$ 110,000	\$ 440,000	Unleaded	13 - 21 months	10	SRPCD
Van, 12 Passenger	4	\$ 55,000	\$ 220,000	Unleaded	12 - 14 months	10	SRPCD
Case Tractor with Gannon	1	\$ 170,000	\$ 170,000	Bio Diesel Tier 4	12 - 14 months	10	SRPCD
Street Sweeper	2	\$ 550,000	\$ 1,100,000	CNG	16 - 17 months	10	SRPCD
Tractor, 14.9L 54,000 GVWR	2	\$ 300,000	\$ 600,000	Diesel Tier 4,	12 - 14 months	10	SRPCD
938 Loader	1	\$ 400,000	\$ 400,000	Bio Diesel Tier 4	12 - 13 months	10	SRPCD
960 Cat Loader	1	\$ 450,000	\$ 450,000	Bio Diesel Tier 4	12 - 13 months	10	SRPCD
Scarab 20'	1	\$ 600,000	\$ 600,000	Bio Diesel Tier 4	17 months	10	SRPCD
1 sack Cement Mixer	1	\$ 4,000	\$ 4,000	Unleaded	18 months	10	SRPCD
John Deere Gator	1	\$ 35,000	\$ 35,000	Electric	12 months	10	SRPCD
Portable Air compressor	2	\$ 35,000	\$ 70,000	Bio Diesel Tier 4	12 months	10	SRPCD
Portable Light Plant	3	\$ 15,000	\$ 45,000	Bio Diesel Tier 4	12 months	10	SRPCD
Grinder, Moorbark	1	\$ 1,600,000	\$ 1,600,000	Bio Diesel Tier 4	21 months	10	SRPCD
Wildcat row turner	1	\$ 250,000	\$ 250,000	Bio Diesel Tier 4	13 months	10	SRPCD
<b>Replacement Subtotal:</b>	<b>324</b>		<b>\$ 139,439,000</b>				
<b>Vehicles and Equipment - New</b>							
Stake Bed Trucks	7	\$ 250,000	\$ 1,750,000	Electricity	12 - 15 months	10	SRSSD
Electric Forklifts	1	\$ 85,000	\$ 85,000	Electricity	12 months	10	SRSSD
Cargo Box Vans	5	\$ 120,000	\$ 600,000	Unleaded	12 - 15 months	10	SRSSD
Satellite Rear Loaders (Ambassador Trucks)	10	\$ 250,000	\$ 2,500,000	Unleaded	12 - 15 months	10	SRSSD
Rear Loaders (RL) (MFBI Vehicles)	25	\$ 500,000	\$ 12,500,000	CNG	22 - 25 months	10	SRSSD/MFBI
Cat Mini Excavator 310	1	\$ 225,000	\$ 225,000	Bio Diesel Tier 4	24 months	10	SRPCD
Street Sweeper	1	\$ 550,000	\$ 550,000	CNG	24 months	10	SRPCD
Walking Floor Trailers	7	\$ 125,000	\$ 875,000	N/A	12 - 21 months	10	SRPCD
Arrow Message Board	4	\$ 20,000	\$ 80,000	Solar	12 months	10	SRPCD
<b>New Subtotal:</b>	<b>61</b>		<b>\$ 19,165,000</b>				
<b>Capital Programs / Other</b>							
SAFE Centers - Upgrades (Solid Resources Citywide Recycling Division)		\$ 4,500,000	\$ 4,500,000			15	Capital / Other
Automated Containers - household bins	500,000	\$ 70	\$ 35,000,000			10	Capital / Other
<b>Capital Programs / Other Subtotal:</b>			<b>\$ 39,500,000</b>				
<b>Total Capital Needs:</b>			<b>\$ 198,104,000</b>				

\*Solid Resources Support Services Division (SRSSD)

\*\*Multi Family Bulky Item (MFBI)

\*\*\*Solid Resources Process Construction Division (SRPCD)