

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: October 23, 2009

CAO File No. 0220-02221-8481

Council File No.

Council District: All

To: The Mayor
The Council

From: Miguel A. Santana, City Administrative Officer *MS*

Reference: Los Angeles Solid Waste Collection Program

Subject: Request for Issuance of City of Los Angeles Solid Waste Resources Revenue Bonds, Refunding Series 2009-B

SUMMARY

The City Administrative Officer (CAO) requests authority to issue up to \$55 million in Solid Waste Resources Revenue Bonds (SWRRB) that will be used to refund (refinance) approximately \$51 million in outstanding SWRRB that were issued in October 2001 (C.F. 01-0600-S31). Completion of the proposed bond issuance would result in approximately \$4.4 million in long-term interest savings to the Solid Waste Resources Revenue Fund (SWRRF), or \$3.7 million in present value savings.

If approved, the \$55 million in bonds will be issued at the same time as the Series 2009-A bonds are issued. In September 2009, the Mayor and Council approved the Series 2009-A bonds, an issuance of up to \$75 million for the acquisition of containers, equipment and vehicles (C.F. 09-2004).

The \$55 million in bonds are anticipated to be applied approximately as follows:

Refunding of Series 2001-A Bonds	\$ 51,000,000
Debt Service Reserve Fund	3,000,000
Underwriter's Discount	247,000
Costs of Issuance	151,000
Contingency	<u>602,000</u>
Total Authorization Requested	<u>\$ 55,000,000</u>

While it appears likely that the amount of bonds required for this financing will total approximately \$54.4 million, we recommend the approval of \$55 million in bond authority to allow for market uncertainties. This recommendation, to allow for market uncertainties, is consistent with previously approved bond financings.

The majority of the proceeds from the proposed \$55 million bond issuance will be held temporarily by an escrow agent in an irrevocable escrow account, and will later be used to pay off the Series 2001-A bonds as they become redeemable.

- The debt service reserve fund will serve as a source of security to bondholders in the event that the City and the SWRRF default on payments for any reason. Underwriters' discount is the compensation the underwriters receive for marketing the bonds, while the costs of issuance include fees for bond and tax counsel, disclosure counsel, financial advisors, escrow agent and rating agencies.

As with the Series 2009-A bonds, we recommend that the \$55 million in bonds be sold on a negotiated basis to the underwriting firms of Stone & Youngberg and Cabrera Capital Markets, LLC. While the volatility in the financial markets has recently stabilized, we believe a negotiated sale instead of a competitive sale gives the City the most flexibility in deciding when to issue the bonds, with the goal of receiving the lowest true interest cost. The two underwriting firms are in the City's "Underwriters for Long-Term Debt Pool" (C.F. 07-2943).

Issuance of the \$55 million in bonds will result in annual debt service payments of approximately \$6.2 million, and will not result in the City exceeding its debt ceiling limits as the bonds will be repaid from the SWRRF as opposed to the City's General Fund. As shown in Attachment A, after the bonds are issued, the City's voter-approved and non-voter approved debt will continue to remain significantly below the Mayor and Council approved limit of 15 percent of Total Direct Debt Service Payments to General Fund Revenues.

The firm providing financial advisory services for this financing, Fieldman, Rolapp & Associates (Local Business Enterprise), was previously approved by the Mayor and Council (C.F. 07-2896).

The firms providing disclosure, and bond and tax counsel services for this financing, Law Offices of Elizabeth C. Green (Minority Business Enterprise) and Sidley Austin LLP, respectively, were previously approved by the Mayor and Council (C.F. 06-0741).

To proceed with the recommended bond issuance, the Council will need to adopt an Authorizing Resolution (Attachment B) which incorporates an Eighth Supplemental Trust Agreement (Attachment C) and an Escrow Agreement (Attachment D). All three documents are in substantially final form. If needed, any technical revisions will be consistent with the intent of the Mayor and Council.

The recommendation is in compliance with the City's Financial Policies.

RECOMMENDATION

That the City Council, subject to the approval of the Mayor, adopt an Authorizing Resolution of the City Council of the City of Los Angeles, approving certain documents, and authorizing the issuance of up to \$55 million in refunding bonds.

FISCAL IMPACT STATEMENT

There is no fiscal impact on the General Fund as a result of the proposed \$55 million in Solid Waste Resources Revenue Bonds, Refunding Series 2009-B as average annual debt service will be paid from the Solid Waste Resources Revenue Fund.

DEBT IMPACT STATEMENT

The issuance of the proposed \$55 million in Solid Waste Resources Revenue Bonds, Refunding Series 2009-B will not cause the City's debt service payments to exceed 15 percent of General Fund Revenues for both voter-approved and non-voter approved debt as established in the City's Financial Policies, Debt Management Section, because the debt service on these bonds will be paid from the Solid Waste Resources Revenue Fund.

MAS:MV:09100074

Attachments

ATTACHMENT A

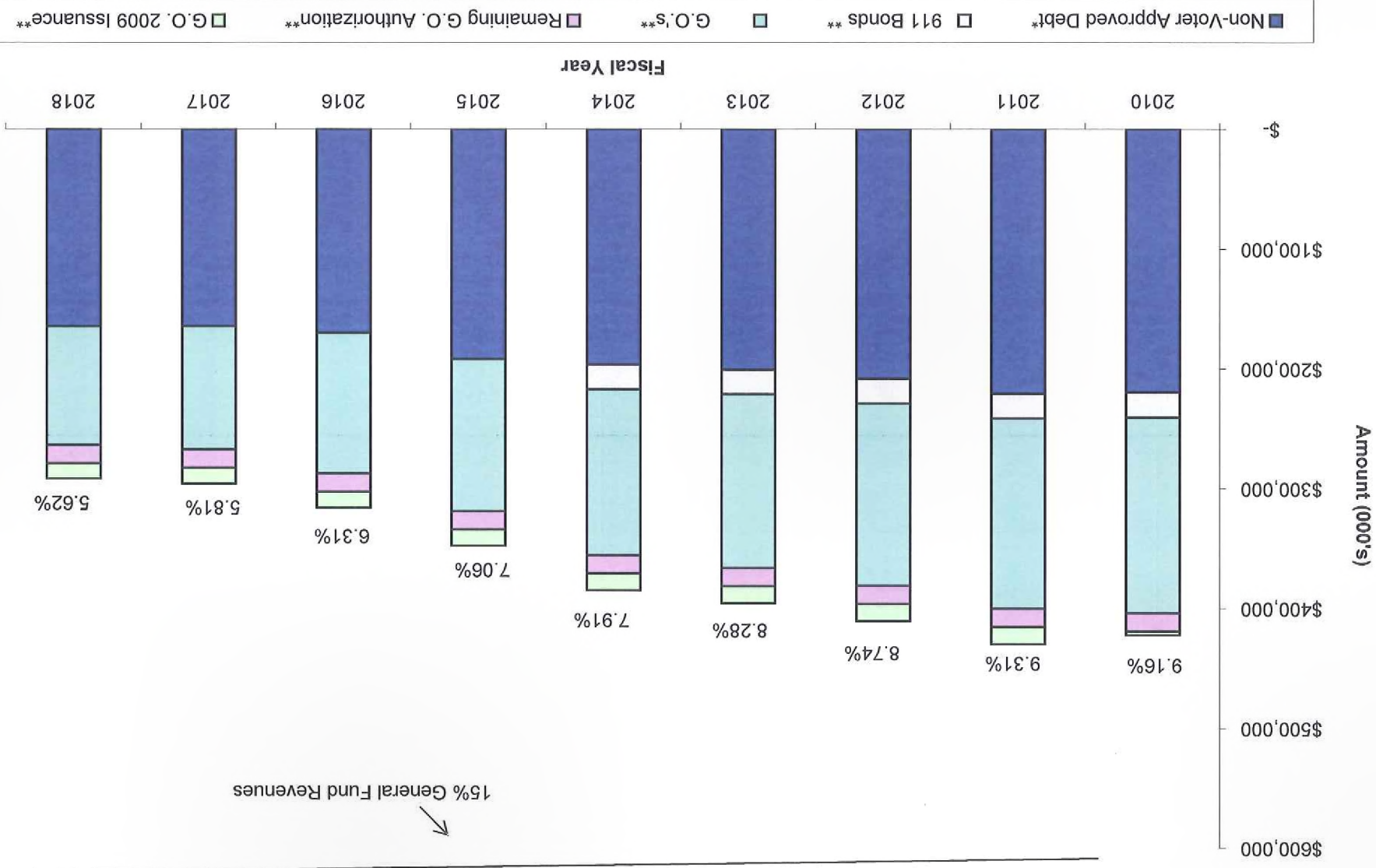
DEBT CHART

VOTER APPROVED AND NON-VOTER APPROVED DEBT

October 2009

Debt Service to Special Taxes and General Fund Revenues (2% Projected Growth Beginning in Fiscal Year 2012)

15% General Fund Revenues



* Includes Judgment Obligation Bonds, Convention Center, MICLAs, Commercial Paper, Public Works Building, New Police Headquarters Facility and Figueroa Plaza.
 ** Voter-Approved Debt.

ATTACHMENT B

AUTHORIZING RESOLUTION

**RESOLUTION OF THE CITY OF LOS ANGELES,
CALIFORNIA AUTHORIZING THE ISSUANCE OF
REVENUE BONDS IN AN AGGREGATE
PRINCIPAL AMOUNT NOT TO EXCEED
\$55,000,000 TO BE SECURED BY THE SOLID
WASTE RESOURCES SPECIAL REVENUE FUND,
APPROVING AN EIGHTH SUPPLEMENTAL
TRUST AGREEMENT PURSUANT TO WHICH
SUCH REVENUE BONDS SHALL BE ISSUED AND
APPROVING CERTAIN MATTERS RELATED
THERETO**

WHEREAS, the City of Los Angeles, California (the "City") is a municipal corporation operating under the provisions of a freeholders' charter (the "Charter") in the State of California (the "State"); and

WHEREAS, pursuant to City Ordinance No. 166308 (codified as Section 5.121.5 of the Administrative Code of the City), the City established a special fund known as the "Solid Waste Resources Special Revenue Fund" into which there is deposited all monies collected from the Solid Waste Collection, Transfer, Recycling, Recovery of Waste Resources and Disposal Fee imposed by Section 66.40 *et seq.* of Article 6.1 of Chapter VI of the Municipal Code of the City; and

WHEREAS, the monies in the Solid Waste Resources 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; and

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 the Council, on July 24, 2001, adopted Ordinance No. 174129, codified at Sections 11.27.50 through 11.27.58 of Division 11, Chapter 1, Article 6.4 of the Los Angeles Administrative Code, which permits the City to issue revenue bonds secured by the moneys in the Solid Waste Resources Special Revenue Fund and the earnings thereon (the "Revenues") for the purposes enumerated in Section 5.121.5 of the Administrative Code and Section 66.41 of the Municipal Code; and

WHEREAS, pursuant to another Resolution (the "Series 2009-A Resolution") previously presented to the Council for adoption regarding the issuance of the City's Solid Waste Resources Revenue Bonds, Series 2009-A (the "Series 2009-A Bonds") in an aggregate principal amount not to exceed \$75,000,000 and the execution and delivery of certain financing documents in connection therewith, there have been presented to the Council forms of a Bond Purchase Agreement (the "Bond Purchase Agreement"), a Preliminary Official Statement (the "Preliminary Official Statement") and a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"); and

WHEREAS, the Council has determined that the public interest and necessity now require the issuance of the City's Solid Waste Resources Revenue Bonds, Series 2009-B (the

“Series 2009-B Bonds”) in an aggregate principal amount not to exceed \$55,000,000, to be issued concurrently with or about the time of issuance of the Series 2009-A Bonds, for the purposes of (i) current refunding any or all of the City’s Sanitation Equipment Charge Revenue Bonds, Series 2001-A (the “Series 2001-A Bonds”) and (ii) paying the costs of issuance of the Series 2009-B Bonds; and

WHEREAS, any refunding to be accomplished with the proceeds of the Series 2009-B Bonds shall result in a minimum average net present value savings of 3%, expressed as a percentage of the principal amount of the refunded Series 2001-A Bonds, as calculated by the City’s independent financial advisors; and

WHEREAS, the City has previously executed and delivered a Master Trust Agreement, dated as of September 1, 2001 (the “Master Trust Agreement”) between the City and U.S. Bank National Association, as successor trustee (the “Trustee”), as amended and supplemented from time to time, providing for the issuance by the City of revenue bonds secured by the Revenues; and

WHEREAS, the City has previously obligated itself to make debt service payments, base rental payments and installment payments secured by the Revenues on a parity with the proposed bonds, which indebtedness is currently outstanding in an aggregate principal amount of \$242,580,000 (the “Outstanding Parity Debt”); and

WHEREAS, the City’s independent financial advisors have advised that with the turmoil in the current financial markets, competitive bidding would not be practicable or advantageous and that it would be in the best financial interests of the City to sell the Series 2009-B Bonds through a negotiated underwriting process and the City Attorney has advised that, accordingly, the Council could determine that a private negotiated sale would be appropriate; provided that, if market conditions should change, nothing herein shall preclude the City from selling the Series 2009-B Bonds on a competitive basis; and

WHEREAS, there have been presented to the Council the following documents:

1. a form of Eighth Supplemental Trust Agreement (the “Eighth Supplement”), by and between the City and the Trustee; and
2. a form of Escrow Agreement (the “Escrow Agreement”), by and between the City and U.S. Bank National Association, as escrow agent (the “Escrow Agent”); and

WHEREAS, said documents will be modified and amended to reflect the various details applicable to the Series 2009-B Bonds and said documents are subject to completion to reflect the results of the sale of the Series 2009-B Bonds.

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

1. Findings Related to Negotiated Sale of the Series 2009-B Bonds and Selection of Professionals. Pursuant to Section 371(e)(10) of the Charter, the Council hereby finds, based upon advice from the City’s independent financial advisors and advice from the City Attorney,

that due to current market conditions, the use of sealed competitive bidding to sell the Series 2009-B Bonds would be undesirable and impractical and it is in the best financial interests of the City to sell the Series 2009-B Bonds through a private negotiated sale pursuant to the terms and provisions set forth in the Bond Purchase Contract.

2. Issuance of Bonds; Term of Bonds. For the purposes set forth in the foregoing recitals, the City hereby deems it necessary to incur the bonded indebtedness and authorizes the issuance of up to \$55,000,000 aggregate principal amount of its Solid Waste Resources Revenue Bonds, Series 2009-B in order to refund any or all of the Series 2001-A Bonds, such Series 2009-B Bonds to be issued under the Master Trust Agreement, as amended and supplemented, including as amended and supplemented by the Eighth Supplement (collectively, the "Trust Agreement").

The Series 2009-B Bonds are hereby authorized to be issued concurrently with the Series 2009-A Bonds, and if not so issued, the Series 2009-B Bonds may be issued at any time within three months following the issuance of the Series 2009-A Bonds.

The maximum term of the Series 2009-B Bonds shall be 20 years from the date of issuance. The Series 2009-B Bonds may be issued as serial bonds or term bonds or as both serial and term bonds, all as set forth in the Trust Agreement. The Series 2009-B Bonds shall have a true interest cost not in excess of four percent (4%). The true interest cost is the annual discount rate which, when used to discount all debt service payments on the Series 2009-B Bonds to the date of initial delivery of the Series 2009-B Bonds, compounded semiannually, results in the aggregate present value of such debt service payments being equal to the original purchase price. The Series 2009-B Bonds shall be in fully registered form and may be issued as book-entry bonds. Payment of principal of, premium, if any, and interest on the Series 2009-B Bonds shall be made at the place or places, on such dates and in the manner provided in the Trust Agreement. The Series 2009-B Bonds shall be available in denominations of \$5,000 and integral multiples thereof. The Series 2009-B Bonds shall be dated as shall be provided in the final form of the Eighth Supplement. The Series 2009-B Bonds shall be subject to redemption prior to maturity at the option of the City on such terms and conditions as shall be set forth in the Trust Agreement. The Series 2009-B Bonds which are term bonds shall also be subject to mandatory sinking fund redemption as shall be set forth in the Trust Agreement.

3. Special Obligations. The Series 2009-B Bonds shall be special obligations of the City secured by and payable from the Revenues, as defined in the Trust Agreement, consisting of monies in the Solid Waste Resources Special Revenue Fund and certain limited moneys and accounts held by the Trustee under the Trust Agreement, as and to the extent described in the Trust Agreement. Other than the Outstanding Parity Debt, the City has not previously granted any prior or parity interest in the Revenues or the Solid Waste Resources Special Revenue Fund, and the City hereby agrees that it will not, as long as any of the Series 2009-B Bonds remain outstanding, grant or attempt to grant, except as permitted by the Trust Agreement, any prior or parity pledge, lien or other interest in the Revenues or the Solid Waste Resources Special Revenue Fund to secure any other obligations of the City. The General Fund of the City shall not be obligated to pay principal of, premium, if any, or interest on the Series 2009-B Bonds.

4. Form of Series 2009-B Bonds. The Series 2009-B Bonds and the Trustee's Certificate of Authentication to appear thereon shall be in substantially the forms set forth in Exhibit A to the Eighth Supplement, with such necessary or appropriate variations, omissions and insertions as permitted or required by the Trust Agreement or as appropriate to adequately reflect the terms of the Series 2009-B Bonds and the obligations represented thereby. The Series 2009-B Bonds shall be executed by the Mayor, and by the City Treasurer or a Deputy City Treasurer, and countersigned by the City Clerk or a Deputy City Clerk. All such signatures and countersignatures may be printed, lithographed or otherwise mechanically reproduced except that one signature must be signed manually.

5. Approval of Documents.

(a) The form, terms and provisions of the Eighth Supplement are hereby approved substantially in the form presented to this meeting. The City Administrative Officer and any Assistant City Administrative Officer (each, an "Authorized Representative") are each hereby authorized and directed for and on behalf of the City to execute and deliver the Eighth Supplement in connection with the issuance and delivery of the Series 2009-B Bonds in substantially the form presented to this meeting, with such changes, additions and modifications thereto as the Authorized Representative executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

(b) The form, terms and provisions of the Escrow Agreement are hereby approved substantially in the form presented to this meeting. The Authorized Representatives, or any of them, are each hereby authorized and directed for and on behalf of the City to execute and deliver the Escrow Agreement in connection with the issuance and delivery of the Series 2009-B Bonds in substantially the form presented to this meeting, with such changes, additions and modifications thereto as the Authorized Representative executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

(c) The Authorized Representatives, or any of them, with the advice of the City Attorney, Bond Counsel and the City's financial advisors (as appropriate), are each hereby authorized to make such changes to the forms of Bond Purchase Agreement, Preliminary Official Statement and Continuing Disclosure Agreement presented to this Council pursuant to the Series 2009-A Resolution, in order to permit the issuance of the Series 2009-B Bonds, the approval of such changes to be conclusively evidenced by the execution of such document by an Authorized Representative. In addition, in the event that the Series 2009-B Bonds are not issued concurrently with the Series 2009-A Bonds, the Authorized Representatives, or any of them, are each hereby authorized to "deem final" the Preliminary Official Statement as of its date, except for amendments to reflect subsequent events and the omission of certain information as provided in and pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, and is hereby authorized and directed for and on behalf of the City to execute and deliver a final official statement with respect to the Series 2009-B Bonds, in substantially the form of the Preliminary Official Statement, with such changes therein as the Authorized Representative executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

6. Sale of Bonds. The Series 2009-B Bonds shall be sold at private negotiated sale pursuant to the terms of the Bond Purchase Agreement substantially in the form approved pursuant to the Series 2009-A Resolution at a price not less than 99.5% of par. The Authorized Representatives, or any of them, are each hereby authorized and directed for and on behalf of the City (i) to fix the actual principal amount of Series 2009-B Bonds issued within the limit set forth in this Resolution and (ii) to execute and deliver any financial guaranty or reimbursement agreement with a provider of a guarantee of payment of the principal of or interest on the Series 2009-B Bonds or with any provider of a surety bond covering all or a portion of the reserve fund for the Series 2009-B Bonds, all upon such terms as shall be satisfactory to such Authorized Representative.

7. Notices. The Authorized Representatives, or any of them, are each further authorized to cause written notice to be provided to the California Debt and Investment Advisory Commission of the proposed sale of the Series 2009-B Bonds, said notice to be provided not later than 30 days prior to the sale of the Series 2009-B Bonds as provided in Section 8855 *et seq.* of the California Government Code, to file the notice of final sale with said Commission, to file a Form 8038-G for the Series 2009-B Bonds with the Internal Revenue Service and to file such additional notices and reports as are deemed necessary or desirable by any of such persons in connection with the Series 2009-B Bonds, including the filing of notices and payment of rebates, if any, required under sections 148(f) and 149(e) of the Internal Revenue Code of 1986, as amended, and any prior filings of such notices are hereby ratified, confirmed and approved.

8. Ratification; Additional Authorizations. All acts taken by Authorized Representatives, and any other officers, employees and agents of the City, in connection with the sale and issuance of the Series 2009-B Bonds are hereby ratified and confirmed. The Authorized Representatives and each of their designees, and any other officers, employees and agents of the City, for and on behalf of the City, are hereby authorized and directed to do any and all things necessary to effect the receipt of bids for the Series 2009-B Bonds, if applicable, and to carry out the terms hereof, and to take such actions and execute such additional documents, certificates and other instruments as are necessary to accomplish the transactions contemplated by this Resolution, including but not limited to providing for the redemption of any or all of the Series 2001-A Bonds, appointing a verification agent for the defeasance of the Series 2001-A Bonds, obtaining bond insurance for the Series 2009-B Bonds and executing the Tax Certificate required by the Eighth Supplement.

Any Authorized Representative is hereby authorized, without further action of this Council, to replace the Trustee if such Authorized Representative deems it in the best interest of the City to do so, provided that no replacement of the Trustee shall require an annual fee in excess of \$5,000.

9. Effective Date. This Resolution shall take effect immediately upon its approval.

I hereby certify that the foregoing Resolution was adopted by the Council of the City of Los Angeles, California, at a meeting thereof duly held on the ____ day of _____, 2009.

JUNE LAGMAY,
City Clerk

By _____
Deputy

APPROVED AS TO FORM:

CARMEN A. TRUTANICH,
City Attorney

By _____
Assistant/Deputy City Attorney

Council File No. _____

ATTACHMENT C

EIGHTH SUPPLEMENTAL TRUST AGREEMENT

EIGHTH SUPPLEMENTAL TRUST AGREEMENT

**by and between the
CITY OF LOS ANGELES, CALIFORNIA**

and

**U.S. BANK NATIONAL ASSOCIATION,
as successor trustee**

Dated as of [_____] 1, 2009

Relating to

**\$[_____]
City of Los Angeles, California
Solid Waste Resources Revenue Bonds, Series 2009-B**

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EIGHTH SUPPLEMENTAL TRUST AGREEMENT

Relating to

\$[_____]

City of Los Angeles, California

Solid Waste Resources Revenue Bonds, Series 2009-B

This EIGHTH SUPPLEMENTAL TRUST AGREEMENT, dated as of [_____] 1, 2009 (this "Eighth Supplemental Trust Agreement"), by and between the CITY OF LOS ANGELES, CALIFORNIA (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 NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States, as successor trustee (the "Trustee"), supplements that certain Master Trust Agreement, dated as of September 1, 2001, by and between the City and the Trustee, as successor trustee to State Street Bank and Trust Company of California, N.A., as amended and supplemented from time to time (as so amended and supplemented, the "Master Trust Agreement").

RECITALS

WHEREAS, the Master Trust Agreement provides, in Section 2.08 thereof, for the issuance of Bonds and, in Section 9.02 thereof, for the execution and delivery of Supplemental Trust Agreements setting forth the terms of such Bonds;

WHEREAS, pursuant to that certain First Supplemental Trust Agreement, dated as of September 1, 2001, by and between the City and the Trustee, the City provided for the issuance of \$86,640,000 aggregate principal amount of its Sanitation Equipment Charge Revenue Bonds, Series 2001-A;

WHEREAS, pursuant to that certain Second Supplemental Trust Agreement, dated as of April 1, 2003, by and between the City and the Trustee, the City provided for the issuance of \$47,825,000 aggregate principal amount of its Sanitation Equipment Charge Revenue Bonds, Series 2003-A;

WHEREAS, pursuant to that certain Third Supplemental Trust Agreement, dated as of December 1, 2003, by and between the City and the Trustee, the City provided for the issuance of \$61,120,000 aggregate principal amount of its Sanitation Equipment Charge Revenue Bonds, Series 2003-B;

WHEREAS, pursuant to that certain Fourth Supplemental Trust Agreement, dated as of March 15, 2004, by and between the City and the Trustee, the City provided for the issuance of \$56,230,000 aggregate principal amount of its Sanitation Equipment Charge Revenue Bonds, Series 2004-A;

WHEREAS, pursuant to that certain Fifth Supplemental Trust Agreement, dated as of July 1, 2005, by and between the City and the Trustee, the City provided for the issuance of

\$45,750,000 aggregate principal amount of its Sanitation Equipment Charge Revenue Bonds, Series 2005-A;

WHEREAS, pursuant to Ordinance No. 177478 adopted on April 7, 2006, the Council of the City changed the name of the former Sanitation Equipment Charge to the Solid Waste Collection, Transfer, Recycling, Recovery of Waste Resources and Disposal Fee; and

WHEREAS, pursuant to that certain Sixth Supplemental Trust Agreement, dated as of September 1, 2006, by and between the City and the Trustee, the City provided for the issuance of \$58,370,000 aggregate principal amount of its Solid Waste Resources Revenue Bonds, Series 2006-A; and

WHEREAS, pursuant to that certain Seventh Supplemental Trust Agreement, dated as of August 1, 2009, by and between the City and the Trustee, the City provided for the issuance of [\$_____] aggregate principal amount of its Solid Waste Resources Revenue Bonds, Series 2009-A (the "Series 2009-A Bonds"); and

WHEREAS, by execution and delivery of this Eighth Supplemental Trust Agreement and in compliance with the provisions of the Master Trust Agreement, the City hereby provides for the issuance of and sets forth the terms of \$[_____] aggregate principal amount of its Solid Waste Resources Revenue Bonds, Series 2009-B (the "Series 2009-B Bonds"), provides for the deposit and use of the proceeds of the Series 2009-B Bonds and makes other provisions relating to the Series 2009-B Bonds; and

WHEREAS, the City has determined that the Series 2009-B Bonds shall be issued as Additional Bonds pursuant to Section 2.09 of the Master Trust Agreement and, concurrently with the execution and delivery of this Eighth Supplemental Trust Agreement, all conditions and requirements for the issuance of the Series 2009-B Bonds pursuant to Section 2.09 thereof have been satisfied and met;

NOW THEREFORE, the City hereby agrees with the Trustee as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. The following definitions shall apply to terms used in this Eighth Supplemental Trust Agreement unless the context clearly requires otherwise (capitalized terms not defined below shall have the meanings given such terms in the Master Trust Agreement):

"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 2009-B 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 Financial Advisor, rating agency fees, printing costs and related expenses.

“Initial Reserve Fund Requirement” for the Series 2009-B Bonds shall mean the sum of \$[_____].

“Payment Date” for the Series 2009-B Bonds means February 1 and August 1 of each year, commencing February 1, 2010.

“Rebate Fund” for the Series 2009-B Bonds means the fund by that name created pursuant to Section 6.1 hereof.

“Rebate Requirement” for the Series 2009-B Bonds shall have the meaning given such term in Section 6.1 hereof.

“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.

“Series 2009-B Bonds” means the \$[_____] aggregate original principal amount of Bonds issued under the Master Trust Agreement and this Eighth Supplemental Trust Agreement and designated as “City of Los Angeles, California Solid Waste Resources Revenue Bonds, Series 2009-B.”

“Series 2009-B Costs of Issuance Fund” means the fund by that name created pursuant to 0 hereof.

“Series 2009-B Interest Subaccount” means the subaccount by that name created within the Debt Service Fund pursuant to 0 hereof.

“Series 2009-B Principal Subaccount” means the subaccount by that name created within the Debt Service Fund pursuant to 0 hereof.

“Series 2009-B Redemption Subaccount” means the subaccount by that name created within the Debt Service Fund pursuant to 0 hereof.

“Eighth Supplemental Trust Agreement” means this Eighth Supplemental Trust Agreement, dated as of [_____] 1, 2009, between the City and the Trustee, which sets forth the terms of the Series 2009-B Bonds.

“Tax Certificate” means the Tax Certificate dated the date of delivery of the Series 2009-B Bonds, executed by the City, pertaining to the Series 2009-B Bonds.

Section 1.2. Incorporation of Definitions Contained in the Master Trust Agreement. Except as otherwise provided in Section 1.1 of this Eighth Supplemental Trust Agreement, all words, terms and phrases defined in the Master Trust Agreement shall have the same meanings herein as in the Master Trust Agreement.

Section 1.3. Articles and Section References. Except as otherwise indicated, references to Articles and Sections are to Articles and Sections of this Eighth Supplemental Trust Agreement.

ARTICLE II

THE SERIES 2009-B BONDS

Section 2.1. Designation of the Bonds; Principal Amount. The Bonds authorized to be issued under the Master Trust Agreement and this Eighth Supplemental Trust Agreement shall be designated as "City of Los Angeles, California Solid Waste Resources Revenue Bonds, Series 2009-B" and shall be issued in the aggregate original principal amount of \$[_____].

Section 2.2. Series 2009-B Bonds Under the Master Trust Agreement; Security. The Series 2009-B Bonds are issued as Additional Bonds under and subject to the terms of the Master Trust Agreement, including Section 2.09 of the 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 Master Trust Agreement and this Eighth Supplemental Trust Agreement.

Section 2.3. Terms of the Series 2009-B Bonds.

(a) The Series 2009-B Bonds shall be issuable only as fully registered Bonds in denominations of \$5,000 and integral multiples thereof. The Series 2009-B Bonds shall be numbered as determined by the Registrar.

(b) The Series 2009-B Bonds shall, upon initial issuance, be dated the date of issuance. Each Series 2009-B 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 2009-B 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 January 15, 2010, in which event such Bond shall bear interest from the initial date of issuance. If interest on the Series 2009-B Bonds shall be in default, Series 2009-B Bonds issued in exchange for Series 2009-B Bonds surrendered for transfer or exchange shall bear interest from the Payment Date to which interest has been paid in full on the Series 2009-B Bonds surrendered.

(c) Interest on the Series 2009-B Bonds shall be paid, based upon a 360-day year comprised of twelve 30-day months, on each Payment Date.

The Series 2009-B 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
20[]	\$	%
20[]		
20[]		
20[]		
20[]		
20[]		
20[]		
20[]		
20[]		
20[]		
20[]		
20[]		
20[]		
20[]		

(d) Payment of principal of the Series 2009-B Bonds shall be made upon surrender of the Series 2009-B Bonds to the Trustee or its agent, and payment of interest on any Series 2009-B 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 2009-B 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. The Series 2009-B Bonds shall be substantially in the form of Exhibit A, which is part of this Eighth Supplemental Trust Agreement.

(e) If the principal of a Series 2009-B Bond becomes due and payable, but shall not have been paid, or provision made for its payment, then such Series 2009-B 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 2009-B Bonds.

(a) Series 2009-B Bonds which are delivered to the Registrar for exchange may be exchanged for an equal total principal amount of Series 2009-B 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 2009-B Bond during the period established by the Trustee for the selection of Series 2009-B Bonds for redemption, any Series 2009-B Bond called for redemption, or during the period beginning on a Record Date and ending on a Payment Date.

ARTICLE III

REDEMPTION

Section 3.1. Notices to Trustee; Notices to Bondholders. If the City wishes that any Series 2009-B Bonds be redeemed pursuant to any optional redemption provision in this Eighth Supplemental Trust Agreement and in the Series 2009-B Bonds, the City will notify the Trustee of the applicable provision, the redemption date, the principal amount of Series 2009-B Bonds to be redeemed and other necessary particulars. The City will give such notice to the Trustee at least 45 days before the redemption date. The Trustee shall give notice of redemption to Bondholders affected by such redemption as provided in Section 3.03 of the Master Trust Agreement and the Trustee shall, at least 30 days and not more than 60 days before each redemption, send such notice of redemption by first-class mail (or, with respect to Series 2009-B Bonds held by the Depository, by facsimile or an express delivery service for delivery on the next following Business Day) to each Owner of a Series 2009-B Bond to be redeemed; each such notice shall be sent to the Owner's registered address.

Section 3.2. Redemption Dates. The redemption date of Series 2009-B Bonds to be redeemed pursuant to any optional redemption provision in the Series 2009-B Bonds and Section 3.3 will be a date permitted thereby and specified by the City in the notice delivered pursuant to Section 3.1.

Section 3.3. Optional Redemption of the Series 2009-B Bonds. The Series 2009-B Bonds due on or after February 1, 20[], are redeemable at the option of the City on or after February 1, 20[], in whole or in part at any time, from any moneys that may be provided for such purpose. Series 2009-B Bonds so redeemed shall be redeemed at the principal amount of such Series 2009-B Bonds, without premium, plus accrued interest to the date fixed for redemption.

Section 3.4. Mandatory Sinking Fund Redemption of the Series 2009-B Bonds. The Series 2009-B Bonds are not subject to mandatory sinking fund redemption.

Section 3.5. Payment of Series 2009-B Bonds Called for Redemption. Upon surrender to the Trustee or the Trustee's agent, Series 2009-B Bonds called for redemption shall be paid at the redemption price stated in the notice, plus interest accrued to the redemption date.

Section 3.6. Selection of Series 2009-B Bonds for Redemption; Series 2009-B Bonds Redeemed in Part.

(a) Series 2009-B 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 2009-B Bond to be redeemed in part, the Trustee will authenticate for the Owner a new Series 2009-B Bond or Series 2009-B Bonds of the same maturity equal in principal amount to the unredeemed portion of the Series 2009-B Bond surrendered.

ARTICLE IV

APPLICATION OF PROCEEDS; FUNDING OF RESERVE FUND AND PAYMENT OF SERIES 2009-B BONDS

Section 4.1. Application of Proceeds.

(a) The proceeds of the sale of the Series 2009-B Bonds received by the Trustee shall be applied immediately by the Trustee as follows:

(1) the sum of \$[] shall be credited to the Series 2009-B Account of the Reserve Fund (equal to the Initial Reserve Fund Requirement for the Series 2009-B Bonds); and

(2) the sum of \$[] shall be credited to the Series 2009-B Costs of Issuance Fund; and

(3) the sum of \$[] shall be transferred to the Escrow Agent for payment of certain maturities of the City's Sanitation Equipment Charge Revenue Bonds, Series 2001-A.

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

Section 4.2. Sources of Payment of Series 2009-B Bonds. The Series 2009-B Bonds shall be secured by and payable from the Revenues as provided in the Master Trust Agreement and this Eighth Supplemental Trust Agreement. The City may, but is not obligated to, provide for payment of principal of and interest on the Series 2009-B Bonds from any other source or from any other funds of the City.

ARTICLE V

CREATION OF SERIES 2009-B FUNDS AND ACCOUNTS

Section 5.1. Creation of Series 2009-B Account in Reserve Fund. There is hereby created within the Reserve Fund (created and held under the Master Trust Agreement) a separate account to be designated as the "Series 2009-B 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 2009-B Bonds for rebate purposes as set forth in Article VII hereof, 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 and Article VI of the Master Trust Agreement and shall be available to make payments on any Outstanding Bonds. Moneys shall be deposited into such accounts as provided in Section 4.1 of this Eighth Supplemental Trust Agreement.

Creation of Series 2009-B Costs of Issuance Fund and Series 2009-B Subaccounts within the Debt Service Fund. A special fund is hereby created and designated the "City of Los Angeles, California Solid Waste Resources Revenue Bonds, Series 2009-B Costs of Issuance

Fund” (the “Series 2009-B Costs of Issuance Fund”) which fund shall be held and administered by the Trustee in the manner set forth in this 0. The City shall cause a portion of the proceeds of the Series 2009-B Bonds to be deposited into the Series 2009-B Costs of Issuance Fund in the amount set forth in Section 4.1(a)(2) hereof and shall give written instructions to the Trustee to expend such moneys solely to pay the Costs of Issuance of the Series 2009-B Bonds, pursuant to requisitions in substantially the form attached hereto as Exhibit C. Any unexpended moneys remaining in the Series 2009-B Costs of Issuance Fund on [March 1, 2010] shall be transferred by the Trustee for deposit to the Series 2009-B Interest Subaccount (described below) of the Debt Service Fund.

There are hereby created within the Debt Service Fund separate subaccounts to be designated the “Series 2009-B Interest Subaccount,” the “Series 2009-B Principal Subaccount” and the “Series 2009-B Redemption Subaccount.”

Interest earnings on amounts held in the Debt Service Fund, the Series 2009-B Costs of Issuance Fund, the Series 2009-B Interest Subaccount, the Series 2009-B Principal Subaccount and the Series 2009-B Redemption Subaccount shall be retained therein and used along with the other monies held in such funds for the purposes specified herein and in the Master Trust Agreement.

ARTICLE VI

TAX COVENANTS

Section 6.1. Series 2009-B Rebate Fund.

(a) General. The Trustee shall establish a special fund designated the “Series 2009-B Rebate Fund” (the “Rebate Fund”). All amounts at any time on deposit in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the requirement to make rebate payments to the United States (the “Rebate Requirement”) pursuant to Section 148 of the Code and the Treasury Regulations promulgated thereunder (the “Treasury Regulations”). Such amounts shall be free and clear of any lien under this Eighth Supplemental Trust Agreement and shall be governed by this Section and Section 6.2 of this Eighth Supplemental Trust Agreement and by the Tax Certificate. The Trustee shall be deemed conclusively to have complied with the Rebate Requirement if it follows the directions of the City, and shall have no independent responsibility to, or liability resulting from its failure to, enforce compliance by the City with the Rebate Requirement.

(b) Deposits.

(1) Within 45 days of the end of each Bond Year (as such term is defined in the Tax Certificate), (1) the City shall calculate or cause to be calculated with respect to the Series 2009-B Bonds the amount that would be considered the “rebate amount” within the meaning of Section 1.148-3 of the Treasury Regulations, using as the “computation date” for this purpose the end of such Bond Year, and (2) upon the City’s written direction, the Trustee shall deposit to the Rebate Fund from investment earnings which are subject to the federal tax or rebate requirement, if and to the extent required,

amounts sufficient to cause the balance in the Rebate Fund to be equal to the “rebate amount” so calculated.

(2) The Trustee shall not be required to deposit any amount to the Rebate Fund in accordance with preceding sentence if the amount on deposit in the Rebate Fund prior to the deposit required to be made under this subsection (b) equals or exceeds the “rebate amount” calculated in accordance with the preceding sentence. Such excess may be withdrawn from the Rebate Fund to the extent permitted under subsection (g) of this Section.

(3) The City shall not be required to calculate the “rebate amount,” and the Trustee shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b), with respect to all or a portion of the proceeds of the Series 2009-B Bonds (including amounts treated as proceeds of the Series 2009-A Bonds) (1) to the extent such proceeds satisfy the expenditure requirements of Section 148(f)(4)(B) or Section 148(f)(4)(C) of the Code or Section 1.148-7(d) of the Treasury Regulations, whichever is applicable, and otherwise qualify for the exception to the Rebate Requirement pursuant to whichever of said sections is applicable, (2) to the extent such proceeds are subject to an election by the City under Section 148(f)(4)(C)(vii) of the Code to pay a 1½% penalty in lieu of arbitrage rebate in the event any of the percentage expenditure requirements of Section 148(f)(4)(C) are not satisfied, or (3) to the extent such proceeds qualify for the exception to arbitrage rebate under Section 148(f)(4)(A)(ii) of the Code for amounts in a “bona fide debt service fund.” In such event, and with respect to such amounts, the City shall provide written direction to the Trustee that the Trustee shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b).

(c) Withdrawal Following Payment of Series 2009-B Bonds. Any funds remaining in the Rebate Fund after redemption of all the Series 2009-B Bonds and any amounts described in paragraph (2) of subsection (d) of this Section, or provision made therefor satisfactory to the Trustee, including accrued interest and payment of any applicable fees to the Trustee, shall be withdrawn by the Trustee and remitted to the City.

(d) Withdrawal for Payment of Rebate. Upon the City’s written direction, but subject to the exceptions contained in subsection (b) of this Section to the requirement to calculate the “rebate amount” and make deposits to the Rebate Fund, the Trustee shall pay to the United States, from amounts on deposit in the Rebate Fund,

(1) not later than 60 days after the end of (i) the fifth Bond Year, and (ii) each fifth Bond Year thereafter, an amount that, together with all previous rebate payments, is equal to at least 90% of the “rebate amount” calculated as of the end of such Bond Year in accordance with Section 1.148-3 of the Treasury Regulations; and

(2) not later than 60 days after the payment of all Series 2009-B Bonds, an amount equal to 100% of the “rebate amount” calculated as of the date of such payment (and any income attributable to the “rebate amount” determined to be due and payable) in accordance with Section 1.148-3 of the Treasury Regulations.

(e) Rebate Payments. Each payment required to be made pursuant to subsection (d) of this Section shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038, which shall be completed by or on behalf of the City and provided to the Trustee.

(f) Deficiencies in the Rebate Fund. In the event that, prior to the time any payment is required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the City shall calculate the amount of such deficiency and direct the Trustee to deposit an amount received from the City equal to such deficiency into the Rebate Fund prior to the time such payment is due.

(g) Withdrawals of Excess Amounts. In the event that immediately following the calculation required by subsection (b) of this Section, but prior to any deposit made under said subsection, the amount on deposit in the Rebate Fund exceeds the “rebate amount” calculated in accordance with said subsection, upon written instructions from the City, the Trustee shall withdraw the excess from the Rebate Fund and credit such excess to the Series 2009-B Principal Subaccount of the Debt Service Fund.

(h) Record Keeping. The City shall retain records of all determinations made hereunder until six years after the complete retirement of the Series 2009-B Bonds.

(i) Survival of Defeasance. Notwithstanding anything in this Eighth Supplemental Trust Agreement to the contrary, the Rebate Requirement shall survive the payment in full or defeasance of the Series 2009-B Bonds.

Section 6.2. Tax Covenants

(a) General. The City hereby covenants with the holders of the Series 2009-B Bonds that, notwithstanding any other provisions of this Eighth Supplemental Trust Agreement, it shall not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of interest on the Series 2009-B Bonds under Section 103 of the Code. The City shall not, directly or indirectly, use or permit the use of proceeds of the Series 2009-B Bonds or any of the property financed or refinanced with proceeds of the Series 2009-B Bonds, or any portion thereof, by any person other than a governmental unit (as such term is used in Section 141 of the Code), in such manner or to such extent as would result in the loss of exclusion from gross income for federal income tax purposes of interest on the Series 2009-B Bonds.

(b) Use of Proceeds. The City shall not take any action, or fail to take any action, if any such action or failure to take action would cause the Series 2009-B Bonds to be “private activity bonds” within the meaning of Section 141 of the Code, and in furtherance thereof, shall not make any use of the proceeds of the Series 2009-B Bonds or any of the property financed or refinanced with proceeds of the Series 2009-B Bonds, or any portion thereof, or any other funds of the City, that would cause the Series 2009-B Bonds to be “private activity bonds” within the meaning of Section 141 of the Code. To that end, so long as any Series 2009-B Bonds are outstanding, the City, with respect to such proceeds and property and such other funds, will

comply with applicable requirements of the Code and all regulations of the United States Department of the Treasury issued thereunder and under Section 103 of the Internal Revenue Code of 1954, as amended (the "1954 Code"), to the extent such requirements are, at the time, applicable and in effect. The City shall establish reasonable procedures necessary to ensure continued compliance with Section 141 of the Code (or, if applicable, the 1954 Code) and the continued qualification of the Series 2009-B Bonds as "governmental bonds."

(c) Arbitrage. The City shall not, directly or indirectly, use or permit the use of any proceeds of any Series 2009-B Bonds, or of any property financed or refinanced thereby, or other funds of the City, or take or omit to take any action, that would cause the Series 2009-B Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. To that end, the City shall comply with all requirements of Section 148 of the Code and all regulations of the United States Department of the Treasury issued thereunder to the extent such requirements are, at the time, in effect and applicable to the Series 2009-B Bonds.

(d) Federal Guarantee. The City shall not make any use of the proceeds of the Series 2009-B Bonds or any other funds of the City, or take or omit to take any other action, that would cause the Series 2009-B Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(e) Compliance with Tax Certificate. In furtherance of the foregoing tax covenants of this Section 6.2, the City covenants that it will comply with the provisions of the Tax Certificate, which is incorporated herein as if fully set forth herein. These covenants shall survive payment in full or defeasance of the Series 2009-B Bonds.

ARTICLE VII

ADDITIONAL EVENT OF DEFAULT

As permitted by Section 7.01(f) of the Master Trust Agreement, the following shall be an Event of Default under Section 7.01 of the Master Trust Agreement with respect to the Series 2009-B Bonds issued pursuant to this Eighth Supplemental Trust Agreement:

"Failure of the City to comply with Section 6.2 of the Eighth Supplemental Trust Agreement."

ARTICLE VIII

UTILIZATION OF ALTERNATIVE PAYMENT PROVISIONS OF SECTION 4.06 OF MASTER TRUST AGREEMENT

Pursuant to Section 4.06 of the Master Trust Agreement, this Article VIII shall constitute a written request by the City to the Trustee to utilize the payment provisions of Section 4.06, instead of the provisions of Section 4.04 and Section 4.05, of the Master Trust Agreement.

ARTICLE IX

MISCELLANEOUS

Section 9.1. Notices.

(a) Any notice, request, direction, designation, consent, acknowledgment, certification, appointment, waiver or other communication required or permitted by this Eighth Supplemental Trust Agreement or the Series 2009-B Bonds must be in writing except as expressly provided otherwise in this Eighth Supplemental Trust Agreement or the Series 2009-B Bonds.

(b) Any notice or other communication, unless otherwise specified, shall be sufficiently given and deemed given when delivered by hand (including any commercial delivery service) or mailed by first-class mail, postage prepaid, addressed to the City at the address provided in the Master Trust Agreement and to the Trustee at the following address: U.S. Bank National Association, 633 West Fifth Street 24th Floor, Los Angeles, CA 90071, Attention: Corporate Trust Services. Any addressee may designate additional or different addresses for purposes of this Section.

(c) The Trustee shall give written notice to Moody's if at any time (i) a successor Trustee is appointed under the Master Trust Agreement or (ii) there is any amendment to the Master Trust Agreement or this Eighth Supplemental Trust Agreement. Notice in the case of an event referred to in clause (ii) hereof shall include a copy of any such amendment.

Section 9.2. Limitation of Rights. Nothing expressed or implied in this Eighth Supplemental Trust Agreement or the Series 2009-B Bonds shall give any person other than the Trustee, City and the holders of the Series 2009-B Bonds any right, remedy or claim under or with respect to this Eighth Supplemental Trust Agreement.

Section 9.3. Severability. If any provision of this Eighth Supplemental Trust Agreement shall be determined to be unenforceable, that shall not affect any other provision of this Eighth Supplemental Trust Agreement.

Section 9.4. 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 9.5. Governing Law. This Eighth Supplemental Trust Agreement shall be governed by and construed in accordance with the laws of the State.

Section 9.6. Captions. The captions in this Eighth Supplemental Trust Agreement are for convenience only and do not define or limit the scope or intent of any provisions or Sections in this Eighth Supplemental Trust Agreement.

Section 9.7. Amendments. This Eighth Supplemental Trust Agreement may only be amended in accordance with Article IX of the Master Trust Agreement.

Section 9.8. Counterparts. This Eighth Supplemental Trust Agreement may be signed in several counterparts. Each will be an original, but all of them together constitute the same instrument.

Section 9.9. 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 will not receive such confirmations to the extent permitted by law. The Trustee will furnish the City periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

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

CITY OF LOS ANGELES, CALIFORNIA

By _____
Assistant City Administrative Officer

APPROVED AS TO FORM AND LEGALITY:

CARMEN TRUTANICH,
City Attorney

By _____
Assistant/Deputy City Attorney

U.S. BANK NATIONAL ASSOCIATION,
as successor trustee

By _____
Authorized Signatory

EXHIBIT A

FORM OF SERIES 2009-B BOND

No. R-1

\$ _____

Unless this 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 OF TO ANY PERSON IS WRONGFUL because the registered owner hereof, Cede & Co., has an interest therein.

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

**CITY OF LOS ANGELES, CALIFORNIA
SOLID WASTE RESOURCES REVENUE BOND, SERIES 2009-B**

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

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM:

The CITY OF LOS ANGELES, CALIFORNIA (hereinafter sometimes called the "City"), a municipal corporation duly organized and existing under the Charter of the City (the "Charter") and the Constitution and laws of the State of California, 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 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 February 1, 2010 (each a "Payment Date"), until this 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 Trust Agreement hereinafter mentioned, this bond shall then cease to bear interest. Payment of principal of this bond shall be made upon surrender of this bond to the Trustee or its agent, and payment of interest on this 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.

Neither this 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 bond or said interest or premiums be payable out of any funds or properties other than the funds of the City hereinafter mentioned. This bond does not constitute any indebtedness in contravention of any constitutional or statutory debt limitation or restriction. No covenant or agreement contained in this 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 bond shall be liable personally on this bond or be subject to any personal liability or accountability by reason of the issuance of this bond.

This bond is one of a duly authorized issue of bonds of the City designated "City of Los Angeles, California Solid Waste Resources Revenue Bonds, Series 2009-B" (hereinafter called the "Series 2009-B Bonds") limited in aggregate principal amount to \$[] 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 of the City and Ordinance No. 174129, effective September 4, 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, for the purpose of refinancing a portion of the cost of the refuse collection and disposal system of the City, and are authorized by and issued pursuant to a resolution adopted by the City on [], 2009, a Master Trust Agreement, dated as of September 1, 2001, by and between U.S. Bank National Association, as successor trustee, as amended and supplemented, and a Eighth Supplemental Trust Agreement, dated as of [] 1, 2009, by and between the City and the Trustee (collectively, the "Trust Agreement").

Pledge of Revenues; Security. The Series 2009-B 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 Trust Agreement, the SWR Revenue Fund and the other funds and accounts created under the Trust Agreement for the payment of the Series 2009-B Bonds in accordance with the terms of the Trust Agreement. "Revenues" include (i) 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, (ii) 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 (iii) the earnings on and income derived from the investment of the amounts set forth in clauses (i) and (ii) above and from amounts on deposit in the Reserve Fund.

All of the Series 2009-B Bonds are equally secured in accordance with the terms of the Trust Agreement, reference to which is hereby made for a specific description of the security therein provided for said Series 2009-B 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 bond the holder hereof assents to all of the terms, conditions and provisions of said Trust Agreement.

Parity Indebtedness. The City has previously issued debt obligations outstanding and payable from the Revenues on a parity with the Series 2009-B Bonds. The City may issue additional debt on a parity with the Series 2009-B Bonds but only in accordance with the provisions contained in the Trust Agreement.

Amendment of Trust Agreement Permitted. In the manner provided in the Trust Agreement, said Trust Agreement and the rights and obligations of the City and of the holders of the Series 2009-B Bonds, may (with certain exceptions as stated in said Trust Agreement) be modified or amended without the consent of the owners of the Series 2009-B Bonds under certain limited circumstances stated therein and may be more generally modified or amended with the consent of the holders of 51% in aggregate principal amount of the Series 2009-B Bonds and any parity bonds issued under the Trust Agreement then Outstanding, exclusive of any Series 2009-B Bonds or parity 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.

Events of Default. The Trust Agreement provides that the occurrences of certain events constitute Events of Default. Bondholders may not enforce the Trust Agreement or the Series 2009-B Bonds except as provided in the Trust Agreement. The Trustee may refuse to enforce the Trust Agreement or the Series 2009-B Bonds unless it receives reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

Optional Redemption. If this bond matures on or after February 1, 20[], it is redeemable in the manner and subject to the terms and provisions, and with the effect, set forth in the Trust Agreement, at the option of said City, in whole or in part on any date on or after February 1, 20[], upon at least 30 days' but not more than 60 days' prior notice to the registered owner hereof, at a redemption price equal to the principal amount hereof, without premium, plus accrued interest to the date fixed for redemption.

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.

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 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.

This bond shall not be valid and the holder hereof shall not be entitled to any benefit hereunder or under the above mentioned Trust Agreement unless this bond shall have been authenticated by the Trustee by the manual signature of a duly authorized officer.

IN WITNESS WHEREOF, the City of Los Angeles, California has caused this bond to be signed on its behalf by the Mayor, and by the City Treasurer or a Deputy City Treasurer, 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 bond to be dated the ____ day of _____, 2009.

CITY OF LOS ANGELES, CALIFORNIA

By: _____
Mayor

By: _____
City Treasurer/Deputy City Treasurer

Countersigned:

City Clerk/Deputy City Clerk

TRUSTEE'S CERTIFICATION OF AUTHENTICATION

This bond is one of the Series 2009-B Bonds described in the within mentioned Trust Agreement.

Date of Authentication: _____, 2009

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Signatory

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 2009-B Bonds

Interest Payment Date	Principal	Interest	Total
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EXHIBIT C

FORM OF REQUISITION FOR SERIES 2009-B COSTS OF ISSUANCE FUND

REQUISITION NO. ____

with reference to

\$ _____

City of Los Angeles, California
Solid Waste Resources Revenue Bonds,
Series 2009-B

The City of Los Angeles, California (the "City") hereby requests U.S. Bank National Association, as successor trustee (the "Trustee"), pursuant to that certain Master Trust Agreement, dated as of September 1, 2001, as amended and supplemented, and that certain Eighth Supplemental Trust Agreement, dated as of [_____] 1, 2009 (collectively, the "Trust Agreement"), each by and between the City and the Trustee, to pay from the moneys in the Series 2009-B Costs of Issuance Fund established pursuant to the Trust Agreement, the following amounts, as indicated below. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the 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 2009-B Costs of Issuance Fund as part of Costs of Issuance, in accordance with the Trust Agreement. None of the items for which payment is requested has been reimbursed previously from the Series 2009-B Costs of Issuance Fund.

Dated: _____

CITY OF LOS ANGELES, CALIFORNIA

By _____
Title: _____

ATTACHMENT D

ESCROW AGREEMENT

ESCROW AGREEMENT

**by and between the
CITY OF LOS ANGELES**

and

**U.S. Bank National Association,
as Escrow Agent**

Dated as of [_____] 1, 2009

Relating to the Proceeds of

**\$[_____]
City of Los Angeles, California
Solid Waste Resources Revenue Bonds, Series 2009-B**

ESCROW AGREEMENT

This ESCROW AGREEMENT, dated as of [_____] 1, 2009 (the "Escrow Agreement"), is entered into by and between the CITY OF LOS ANGELES (the "City"), a municipal corporation and a charter city of the State of California (the "State"), and U.S. Bank National Association, its successors and assigns, as escrow agent (the "Escrow Agent"), with reference to the following facts:

WITNESSETH:

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 the Council, on July 24, 2001, adopted Ordinance No. 174129, codified at Sections 11.27.50 through 11.27.58 of Division 11, Chapter 1, Article 6.4 of the Los Angeles Administrative Code, which permits the City to issue revenue bonds secured by the moneys in the Solid Waste Resources Special Revenue Fund and the earnings thereon for the purposes enumerated in Section 5.121.5 of the Administrative Code and Section 66.41 of the Municipal Code;

WHEREAS, pursuant to the Master Trust Agreement, dated as of September 1, 2001, by and between the City and U.S. Bank National Association, as successor trustee (the "Trustee"), as amended and supplemented from time to time (the "Master Trust Agreement"), and the First Supplemental Trust Agreement, dated as of September 1, 2001 (the "First Supplement"), between the City and the Trustee, the City issued its Sanitation Equipment Charge Revenue Bonds, Series 2001-A (the "Series 2001-A Bonds") in the original aggregate principal amount of \$86,640,000; and

WHEREAS, such Series 2001-A Bonds are currently outstanding in the aggregate principal amount of [\$51,010,000]; and

WHEREAS, the City has determined that it is in the best interests of the City to redeem the Series 2001-A Bonds maturing on [February 1, ____, ____ and ____] (collectively, the "Refunded Series 2001-A Bonds") in advance of their respective maturities; and

WHEREAS, the Master Trust Agreement provides that the Series 2001-A Bonds shall, prior to the maturity thereof, be deemed to have been paid when payment of the principal, interest and premium, if any, shall have been provided for by irrevocably depositing with the Trustee in trust and setting aside exclusively for such payment, (i) moneys sufficient to make such payment and/or (2) noncallable Government Obligations (as defined in the Master Trust Agreement), 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 payment; and

WHEREAS, the Master Trust Agreement provides that once such deposit shall have been made, the Trustee shall notify all holders of the Refunded Series 2001-A Bonds that the Refunded Series 2001-A Bonds are deemed to have been paid in accordance with the Master Trust Agreement; and

WHEREAS, the City has issued [\$ _____] of its Solid Waste Resources Revenue Bonds, Series 2009-B (the "Series 2009-B Bonds") for the purpose, among other purposes, of refunding the Refunded Series 2001-A Bonds, and such Series 2009-B Bonds are being issued under the terms of the Master Trust Agreement and an Eighth Supplemental Trust Agreement, dated as of [_____] 1, 2009 (the "Eighth Supplement"), by and between the City and the Trustee; and

WHEREAS, the Refunded Series 2001-A Bonds are first subject to redemption on [_____] 2011, and the City has determined that all of the Callable Series 2001-A Bonds shall be redeemed on [_____] 2011 (the "Redemption Date"); and

WHEREAS, the Refunded Series 2001-A Bonds are subject to redemption at the principal amount thereof, without premium, plus accrued interest to the date fixed for redemption; and

WHEREAS, the Escrow Agent shall take any and all action necessary to transfer amounts provided hereunder to the Trustee to redeem the Refunded Series 2001-A Bonds on the Redemption Date, in accordance with the provisions of this Escrow Agreement.

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

Section 1. Incorporation of Definitions. Capitalized terms used and not defined herein shall have the meanings ascribed to them in the Master Trust Agreement or the First Supplement, as the case may be.

Section 2. Receipt of Documents and Confirmation of Book-Entry Status of the Refunded Bonds. The Escrow Agent hereby acknowledges the receipt of a copy of the verification report prepared by [Verification Agent], independent certified public accountants, in connection with calculations of the sufficiency of the funds to be used to pay upon maturity the principal of and interest on the Refunded Series 2001-A Bonds. The City hereby confirms that all of the Refunded Series 2001-A Bonds are in "book-entry" form, and are registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company ("DTC"), which acts as the securities depository for the Refunded Series 2001-A Bonds. So long as the Refunded Series 2001-A Bonds are in such book-entry form, the Escrow Agent shall give all notices pursuant to this Escrow Agreement to Cede & Co. as the registered owner of the Refunded Series 2001-A Bonds and DTC as the securities depository therefor. The Escrow Agent shall make all payments required hereunder to the Trustee.

Section 3. Payment of Bonds; Notice to Owners. The Escrow Agent is hereby appointed to serve as escrow agent and to make the payments required pursuant to this Escrow Agreement as directed by the City.

(a) The Escrow Agent shall, from funds held under this Escrow Agreement, pay or cause to be paid all interest as it becomes due on the Refunded Series 2001-A Bonds to and including the Redemption Date.

(b) On the Redemption Date, the Escrow Agent shall, from funds held under this Escrow Agreement, pay or cause to be paid the principal amount of the Refunded Series 2001-A Bonds, plus accrued interest, if any, to the Redemption Date.

(c) The City hereby agrees to give notice in accordance with Article VI of the Master Trust Agreement, as soon as practicable, that the deposit has been made hereunder to provide for the payment of the Refunded Series 2001-A Bonds and agrees to give proper and timely notice of the redemption of the Refunded Series 2001-A Bonds. To implement such agreement, the City hereby irrevocably directs the Escrow Agent to give the following notices and the Escrow Agent agrees that it will:

(i) send by first-class United States mail, postage prepaid, to all owners of the Refunded Series 2001-A Bonds, a notice in substantially the form of **Exhibit A** to this Escrow Agreement as soon as practicable after its receipt of proceeds of the Series 2009-B Bonds as described in Section 4(b); and

(ii) send by first-class United States mail, postage prepaid (or with respect to Series 2001-A Bonds held by the Depository, by facsimile or an express delivery service for delivery on the next following Business Day), at least 30 days and not more than 60 days before the Redemption Date, to all owners of the Refunded Series 2001-A Bonds, a notice in substantially the form of **Exhibit B** to this Escrow Agreement.

Section 4. Establishment of the Escrow Account and Costs of Issuance Account; Disposition of Initial Deposits.

(a) There is hereby created and established with the Escrow Agent a special, irrevocable escrow to be designated "City of Los Angeles, California Solid Waste Resources Revenue Bonds, Series 2009-B Escrow Account" (the "Escrow Account") to be held, in trust, by the Escrow Agent separate and apart from any other funds of the Escrow Agent and the City, if any, held by the Escrow Agent.

(b) On the date of issuance of the Series 2009-B Bonds, the City shall cause to be transferred to the Escrow Agent a portion of the proceeds of the Series 2009-B Bonds in the amount of [\$_____], which, when combined with the good faith deposit of [\$_____] previously received by the Escrow Agent, equals [\$_____]. In addition, the City shall cause to be transferred to the Escrow Agent [\$_____], representing funds released from the Debt Service Fund attributable to the Refunded Series 2001-A Bonds. The Escrow Agent shall deposit such amounts in the Escrow Account promptly upon receipt. The City hereby ratifies and confirms that upon the Escrow Agent's receipt of the good faith deposit, the Escrow Agent was authorized by the City to invest such funds in a taxable money-market portfolio composed of Government Obligations and repurchase agreements fully secured by such Government Obligations. The City hereby instructs the Escrow Agent to transfer the money earned on the investment of the good faith deposit in such money market fund and not needed to purchase the securities pursuant to Section 4(c) below to the City promptly after the issuance of the Series 2009-B Bonds.

(c) The Escrow Agent is hereby directed to use the amounts set forth on **Exhibit C** hereto to purchase on the date of issuance of the Series 2009-B Bonds the securities set forth on such exhibit and to hold the amounts set forth on such exhibit in cash.

The securities listed on **Exhibit C** hereto shall constitute the "Initial Government Obligations" to be held by the Escrow Agent hereunder. Investments in mutual funds or unit investment trusts are prohibited for amounts in the Escrow Account.

(d) The Escrow Agent shall use the maturing principal of the Initial Government Obligations, together with the interest to be paid thereon, any securities substituted therefor in accordance with Section 13 hereof and any cash balance ever existing in the Escrow Account, to pay the interest on and the principal of the Refunded Series 2001-A Bonds as provided in Section 3 hereof.

(e) 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 specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Agent will furnish the City cash transaction statements on a quarterly basis which shall include detail for all investment transactions made by the Escrow Agent hereunder.

Section 5. Irrevocable Deposit; Express Trust. The escrow created hereby shall be irrevocable, and all moneys, the Initial Government Obligations and any securities substituted therefor in accordance with the terms of this Escrow Agreement held in the Escrow Account and any reinvestment of amounts held hereunder shall be subject to the express trust created by this Escrow Agreement until paid out, used and applied in accordance with this Escrow Agreement.

The deposits made pursuant to Section 4(b) hereof shall constitute an irrevocable deposit and pledge for the benefit of the holders of the Refunded Series 2001-A Bonds, and the moneys and Initial Government Obligations and any securities substituted therefor in accordance with the terms of this Escrow Agreement, together with any interest paid thereon and any reinvestment thereof, shall be held in trust, and shall be applied solely by the Escrow Agent in accordance with the provisions of this Escrow Agreement. Neither the Initial Government Obligations, securities substituted therefor, any reinvestment thereof, nor moneys deposited with the Escrow Agent under this Escrow Agreement nor principal or interest payments on any such securities shall, except as provided in Sections 4, 12 and 13 hereof, be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, premium and interest on the Refunded Series 2001-A Bonds.

Section 6. Receipt of Funds. The Escrow Agent hereby acknowledges receipt of the moneys described in Section 4(b) hereof, and acknowledges that with such moneys it has purchased and received the securities listed on **Exhibit C** hereto. Except as specifically provided in Sections 4, 12 and 13 of this Escrow Agreement, the Escrow Agent shall have no power or duty to invest or reinvest any moneys held hereunder or to make substitutions for the Initial Government Obligations or to sell, transfer or otherwise dispose of the Initial Government Obligations except to collect the principal and interest thereon.

Section 7. Late Presentment of Bonds. All moneys which have been set aside or deposited with the Escrow Agent, the Trustee or the Paying Agent for the purpose of paying any of the Refunded Series 2001-A Bonds upon redemption, and for which the Redemption Date shall have occurred, shall be held in trust for the respective holders of the Refunded Series 2001-A Bonds. But any moneys which shall be so set aside or deposited and which shall remain unclaimed by the holders of such Refunded Series 2001-A Bonds for a period of one year after the Redemption Date 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, the Paying Agent nor the Escrow Agent shall have any responsibility with respect to any of such moneys.

Section 8. Destruction of Paid Bonds. All Refunded Series 2001-A Bonds paid upon redemption shall be cancelled and destroyed in accordance with Section 2.07 of the Master Trust Indenture.

Section 9. Waiver of Rights. The City hereby irrevocably waives any right it may have to redeem any of the Refunded Series 2001-A Bonds prior to the Redemption Date.

Section 10. Escrow Agent Fees; Indemnification. For acting under this Escrow Agreement, the Escrow Agent shall be entitled to payment by the City of, and the City shall pay to the Escrow Agent, fees for its services and reimbursement of advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Escrow Agent in connection with its services under this Escrow Agreement; however, such amounts shall never be payable from or become a lien upon the Escrow Account, which account shall be held solely for the purpose set forth in Section 3 of this Escrow Agreement. To the extent permitted by law, the City agrees to indemnify and hold the Escrow Agent harmless from and against all claims, suits and actions brought against it, or to which it is made a party, and from all costs, expenses (including reasonable attorneys' fees), losses and damages suffered by it as a result thereof including the costs and expenses of defending against any such claims, suits or actions, where and to the extent such claim, suit or action arises out of the acceptance or performance by the Escrow Agent of its duties under this Escrow Agreement, including the enforcement by the Escrow Agent of any remedies provided hereunder. Such indemnification shall not extend to claims, suits and actions brought against the Escrow Agent which result in a judgment being entered, settlement being reached or other disposition made based upon the Escrow Agent's negligence or willful misconduct. The indemnification provided for in this Escrow Agreement shall never be payable from or become a lien upon the Escrow Account, which account shall be held solely for the purpose set forth in Section 3 of this Escrow Agreement. This right of indemnification shall survive the termination of this Escrow Agreement. The Escrow Agent shall assert no lien whatsoever on the Escrow Account, or moneys on deposit in the Escrow Account, for the payment of fees and expenses for services rendered by Escrow Agent under this Escrow Agreement or otherwise.

Section 11. Escrow Agent Privileges; Immunities; Successors.

(a) The Escrow Agent shall not be liable for any loss resulting from any investment made pursuant to this Escrow Agreement in compliance with the provisions hereof.

(b) The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of any moneys in the Escrow Account to pay the principal of and interest on the Refunded Series 2001-A Bonds. So long as the Escrow Agent applies the funds held in the Escrow Account as provided herein and complies fully with the terms of this Escrow Agreement, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to make such payments caused by such calculations.

(c) In the event of the Escrow Agent's failure to account for any of the funds deposited the Escrow Account or moneys received by the Escrow Agent, said Escrow Account or moneys shall, nevertheless, be and remain in trust for the holders of the Refunded Series 2001-A Bonds or portions thereof, as herein provided.

(d) The Escrow Agent undertakes to perform only such duties as are expressly and specifically set forth in this Escrow Agreement and no implied duties or obligations shall be read into this Escrow Agreement against the Escrow Agent.

(e) The Escrow Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed herein, and shall be protected and indemnified, in acting, or refraining from acting, upon any written notice, instruction, request, certificate, document, report or opinion furnished to the Escrow Agent and reasonably believed by the Escrow Agent to have been signed or presented by the proper party, and it need not investigate any fact or matter stated in such notice, instruction, request, certificate, document, report or opinion.

(f) The Escrow Agent shall not have any liability hereunder except to the extent of its own negligence or willful misconduct. In no event shall the Escrow Agent, be liable for any special, indirect or consequential damages, even if parties know of the possibility of such damages. The Escrow Agent shall have no duty or responsibility under this Escrow Agreement in the case of any default in the performance of covenants or agreements contained in the Master Trust Agreement, or in the case of the receipt of any written demand with respect to such default. The Escrow Agent is not required to resolve conflicting demands to money or property in its possession under this Escrow Agreement.

(g) The Escrow Agent may consult with counsel of its own choice (which may be counsel to the City) and the opinion of such counsel shall be full and complete authorization to take or suffer in good faith any action in accordance with such opinion of counsel.

(h) The Escrow Agent shall not be responsible for any of the recitals or representations contained herein, in the Master Trust Agreement, the First Supplement, the Eighth Supplement, the Series 2001-A Bonds or the Series 2009-B Bonds.

(i) The Escrow Agent shall not be liable for any action or omission of the City under the Escrow Agreement, the Master Trust Agreement, the First Supplement, the Eighth Supplement, the Series 2001-A Bonds or the Series 2009-B Bonds.

(j) Whenever in the administration of the trust of the Escrow Agreement, the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or willful misconduct on the part of

the Escrow Agent, be deemed to be conclusively proved and established by a certificate of the City (signed by any City representative authorized pursuant to the Eight Supplement), and such Certificate of the City shall, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be full warrant to the Escrow Agent for any action taken or suffered by it under the provisions of this Escrow Agreement upon the faith thereof.

(k) The Escrow Agent may at any time resign by giving written notice to the City of such resignation prior to the proposed resignation date, whereupon the City shall promptly use its best efforts to appoint a successor escrow agent by the resignation date. Resignation of the Escrow Agent will be effective only upon the appointment, acceptance and qualification of a successor escrow agent. If the City does not appoint a successor escrow agent within 60 days after notice of resignation by the Escrow Agent, the resigning escrow agent may petition any court of competent jurisdiction for the appointment of a successor escrow agent at the expense of the City, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor escrow agent. After receiving a notice of resignation of an escrow agent, the City may appoint a temporary escrow agent to replace the resigning escrow agent until the City appoints a successor escrow agent. Any such temporary escrow agent so appointed by the City shall immediately and without further act be superseded by the successor escrow agent so appointed. No successor escrow agent shall be appointed unless such successor escrow agent shall be a commercial bank or trust company, a state or national banking association or any other corporation with trust powers which is rated at least "Baa3/P3" by Moody's Investors Service ("Moody's").

If a successor escrow agent is appointed, all agreements and obligations described herein with respect to the Escrow Agent, as the escrow agent, shall apply to such successor escrow agent. Every successor escrow agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and the City an instrument in writing accepting such appointment hereunder and thereupon such successor escrow agent, without any further act, deed or conveyance, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor, but such predecessor shall, nevertheless, on the written request of such successor escrow agent or the City, execute and deliver an instrument transferring to such successor escrow agent all the estates, properties, rights, powers and trusts of such predecessor hereunder, and every predecessor escrow agent shall deliver all investments and moneys held by it to its successor. Should any transfer, assignment or instrument in writing from the City be required by any successor escrow agent for more fully and certainly vesting in such successor escrow agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor escrow agent, any such transfer, assignment and instruments in writing shall, on request, be executed, acknowledged and delivered by the City.

Any corporation or association into which the Escrow Agent, or any successor to it and the trusts created by this Escrow Agreement, may be merged or converted or with which it or any successor to it may be consolidated (or any corporation or association resulting from any merger, conversion, consolidation or tax-free reorganization to which the Escrow Agent or any other bank then serving as escrow agent, or any successor to it, shall be a party), shall be the successor escrow agent under this Escrow Agreement, shall hold the Escrow Account in accordance with the terms hereof and shall be vested with all of the trusts, powers, rights, obligations, duties, immunities and privileges hereunder as was its predecessor without the execution or filing of any

paper or any other act on the part of the parties hereto, anything herein to the contrary notwithstanding.

(l) The Escrow Agent will provide the City with annual statements of the Escrow Account maintained hereunder.

Section 12. Termination. This Escrow Agreement shall terminate when the Refunded Series 2001-A Bonds have been fully paid and discharged in accordance with the provisions hereof. Any moneys or securities held in the Escrow Account at termination and not required for the payment of the principal of or interest on any of the Refunded Series 2001-A Bonds shall be paid or transferred to the City.

Section 13. Investment of Funds in the Escrow Account.

(a) Except as otherwise provided herein, amounts held in the Escrow Account under this Escrow Agreement may be invested only in Government Obligations, as defined in the Master Trust Agreement

(b) At the direction of the City, the Escrow Agent shall redeem, transfer or exchange the Initial Government Obligations or any Government Obligations which are then held as an investment of the Escrow Account and reinvest the proceeds thereof, together with the other moneys held in the Escrow Account in Government Obligations, and may release to the City the excess amount then resulting in the Escrow Account provided that the City delivers to the Escrow Agent the following:

(i) an opinion of an independent certified public accountant to the effect that, after such reinvestment the principal amount of Government Obligations, together with the interest thereon and other available moneys held in the Escrow Account, will be sufficient without reinvestment to pay interest on the Refunded Series 2001-A Bonds and to redeem and pay the redemption premium on the Refunded Series 2001-A Bonds as provided in Section 3 hereof; and

(ii) an unqualified opinion of nationally recognized municipal bond counsel to the effect that (a) such investment will not cause either the Refunded Series 2001-A Bonds, other Bonds issued under the Master Trust Agreement or the Series 2009-B Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder in effect on the date of such investment, or otherwise cause the interest on any of such bonds to be included in the gross income of the recipients thereof for federal income tax purposes, and (b) such reinvestment complies with the Constitution and laws of the State of California and with all relevant documents relating to the issuance of the Refunded Series 2001-A Bonds.

(c) If, at any time, the Initial Government Obligations (as defined in Section 4(c) hereof) or other Government Obligations then held as an investment of the Escrow Account mature or payments are made thereon to the Escrow Agent or the Escrow Agent otherwise holds or receives cash in advance of the time same cash is needed to make payment on the Refunded Series 2001-A Bonds, such amounts shall be held uninvested unless Escrow Agent has received

written instructions from the City directing the investment of such amounts and all of the following requirements have been met:

(i) such moneys shall be invested only in Government Obligations which mature not later than the date on which the funds invested therein will be needed to make payments on the Refunded Series 2001-A Bonds;

(ii) such moneys shall be invested only in Government Obligations which mature in an amount, together with interest thereon, not less than the full amount paid by Escrow Agent to acquire such investments;

(iii) prior to any such reinvestment, the Escrow Agent shall receive from the City or the City's financial advisor a certificate to the effect that the investments to be acquired by the Escrow Agent meet the requirements of Subsections 13(c)(i) and 13(c)(ii) above; and

(iv) if the yield on such reinvestment is greater than 0.00% or the reinvestment is being made pursuant to an agreement providing for the purchase of Government Obligations at a future time or times, then prior to any such reinvestment, the City shall deliver to the Escrow Agent an unqualified opinion of nationally recognized municipal bond counsel to the effect that (i) such reinvestment will not cause either the Refunded Series 2001-A Bonds, other Bonds issued under the Master Trust Agreement or the Series 2009-B Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and the regulations thereunder in effect on the date of such investment, or otherwise cause the interest on any of such bonds to be included in the gross income of the recipients thereof for federal income tax purposes; provided that, if such investment is made pursuant to the terms of an agreement between the Escrow Agent and a supplier of securities which agreement is entered into by the Escrow Agent at the written direction of the City and provides for investments to be provided at a future time or times, then the requirement set forth in this Subsection 13(c)(iv) shall be met if the opinion described herein is provided prior to the time the agreement is entered into and relates to all investments made in accordance with the terms of such agreement.

(d) In addition to the requirements and restrictions set forth above in Section 13(c), if the Refunded Series 2001-A Bonds then carry a rating assigned by Moody's and/or Standard & Poor's on the basis of the security provided by the Escrow Account, then the City shall not direct the Escrow Agent to enter into an agreement providing for the purchase of securities at a future time or times as an investment of the Escrow Account unless prior to the time the Escrow Agent enters into such agreement, the City has been notified by the rating agency or agencies then maintaining such rating or ratings that entering into the agreement will not cause the rating or ratings then assigned to the Refunded Series 2001-A Bonds to be reduced or withdrawn.

Section 14. Tax Covenant of the City. The City covenants that it will not take or omit to take any action, which action or omission to act would cause the Refunded Series 2001-A Bonds, any other Bonds issued under the Master Trust Agreement or the Series 2009-B Bonds to be arbitrage bonds within the meaning of Section 148 of the Code, and the regulations

thereunder, or take or omit to take any action which would cause the interest on any such bonds to be included in the gross income of the recipients thereof for federal income tax purposes.

Section 15. Compensation Acknowledgement. The Escrow Agent hereby acknowledges that under the terms of this agreement with the City, all fees that are or will become due to the Escrow Agent for services performed under this Escrow Agreement have been provided for and that provision has been made to the satisfaction of the Escrow Agent between the City and the Escrow Agent for all necessary and proper compensation and expenses of Escrow Agent with respect to such Refunded Series 2001-A Bonds, so long as the Refunded Series 2001-A Bonds remain in book-entry only form. Amounts to be paid to the Escrow Agent for compensation and expenses of the Escrow Agent shall never be payable from or become a lien upon the Escrow Account, which account shall be held solely for the purpose set forth in Section 3 of this Escrow Agreement.

Section 16. Further Amendments or Supplements. This Escrow Agreement may not be amended or supplemented after the execution and delivery hereof except to the extent required to obtain a "Aaa" rating from Moody's and/or a "AAA" rating from Standard & Poor's with respect to the Refunded Bonds; provided that each of the following shall be a condition to the execution and delivery of any such amendment or supplement (1) if Moody's or Standard & Poor's is then maintaining a rating on the Refunded Bonds on the basis of the security provided by the Escrow Account, then such rating agency must have received a copy of such amendment or supplement and have notified the City that such amendment or supplement will not cause the rating then being maintained to be reduced or withdrawn and (2) there shall be delivered to the City an opinion of nationally recognized municipal bond counsel to the effect that such amendment or supplement (a) will not cause either the Refunded Bonds, other Bonds issued under the General Resolution or the Series 2009-A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and the regulations thereunder in effect on the date of such amendment or supplement or otherwise cause the interest on any such bonds to be included in the gross income of the recipients thereof for federal income tax purposes and (b) complies with the terms of this Escrow Agreement.

Section 17. Severability. If any one or more of the covenants or agreements to be performed by any of the parties to this Escrow Agreement shall be determined by a court of competent jurisdiction to be unenforceable, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements contained herein and shall in no way affect the validity of the remaining provisions of this Escrow Agreement. If any provisions of this Escrow Agreement shall be deemed by a court of competent jurisdiction to be unenforceable, the City shall promptly notify Moody's Investor's Services at 7 World Trade Center, New York, NY 10007, Standard & Poor's at 55 Water Street, New York, New York 10041 and Fitch Ratings, Inc. at One State Street Plaza, New York, New York 10004, and any other rating agency at the time maintaining a rating on the Refunded Series 2001-A Bonds.

Section 18. Governing Law; Counterparts. This Escrow Agreement shall be governed by and construed in accordance with the laws of the State of California. This Escrow Agreement may be executed in counterparts, each of which shall be deemed an original and all of which, taken together, shall be deemed to be one and the same document.

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

CITY OF LOS ANGELES

By: _____
Assistant City Administrative Officer

Attest:

Karen E. Kalfayan, City Clerk

By: _____
Deputy

Approved as to form:

Rockard J. Delgadillo, City Attorney

By: _____
Assistant City Attorney

U.S. Bank National Association,
as Escrow Agent

By: _____
Trust Officer

EXHIBIT A

FORM OF NOTICE OF DEFEASANCE

**CITY OF LOS ANGELES, CALIFORNIA
OF SANITATION EQUIPMENT CHARGE REVENUE BONDS, SERIES 2001-A**

MATURITIES: February 1, 20__ through 20__

The City of Los Angeles, California (the "City") hereby gives notice to the owners of the above-described bonds that:

(1) On _____, 2009, there was deposited with U.S. Bank National Association, as escrow agent, funds that have been irrevocably set aside to pay the principal of and interest on the City of Los Angeles, California Sanitation Equipment Charge Revenue Bonds, Series 2001-A with the stated maturities (or term bond components thereof) as set forth above and the CUSIP numbers set forth below (the "Refunded Series 2001-A Bonds").

Maturity (February 1)	CUSIP No.
_____	_____

(2) As a result of such deposit, the Refunded Series 2001-A Bonds are deemed to be no longer outstanding under the terms of the Master Trust Agreement pursuant to which such Refunded Series 2001-A Bonds were issued.

(3) Interest will be earned through _____, 2011, and paid on _____, 2011 (or if such day is not a Business Day then on the next Business Day), from government obligations purchased with the deposited funds, the earnings thereon and the cash held under the escrow agreement.

(4) All of the Refunded Series 2001-A Bonds will be redeemed on _____ 1, 2011 (or if such day is not a Business Day then on the next Business Day) at a redemption price of the principal amount thereof, without premium, plus accrued interest to the date fixed for redemption.

CITY OF LOS ANGELES

EXHIBIT B
FORM OF NOTICE OF REDEMPTION

CITY OF LOS ANGELES, CALIFORNIA
OF SANITATION EQUIPMENT CHARGE REVENUE BONDS, SERIES 2001-A

MATURITIES: February 1, 20__ through 20__

The City of Los Angeles hereby gives notice to the owners of the above-described bonds (the "Refunded Series 2001-A Bonds") that all of such Refunded Series 2001-A Bonds will be redeemed on _____, 2011.

The following information is hereby provided with respect to such redemption:

- (1) The redemption price shall be the principal amount of the Refunded Series 2001-A Bonds redeemed, without premium, plus accrued interest to the date fixed for redemption.
- (2) To receive payment of the redemption price, the Refunded Series 2001-A Bonds must be presented to

By Mail: U.S. Bank National Association, as Paying Agent
[address]

By Hand: U.S. Bank National Association, as Paying Agent
[address]

and the redemption price will be paid at such location. Upon receipt, if any, of such bonds the Paying Agent will forward the bonds to the City for cancellation.

- (3) The CUSIP numbers of the bonds to be redeemed are :
Maturity (February 1) _____ CUSIP No. _____

- (4) On _____, 2011, the Bonds will cease to bear interest.

Notice given by mailing this ____ day of _____, _____.

CITY OF LOS ANGELES

cc: Paying Agent

Exhibit B-1

EXHIBIT C

INITIAL GOVERNMENT OBLIGATIONS

Escrow Securities – SLGs

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
[_____]	[\$_____]	[_____]%

Total Amount Used to Purchase Securities = [\$_____]

Total Amount Held in Cash = [\$_____]